



The Kentucky State Plan PY 2011

Title I of the Workforce Investment Act of 1998

And

Wagner-Peyser Act

Effective July 1, 2011 – June 30, 2012



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ATTACHMENTS

- A. Program Administration Designees and Plan Signatures
- B. Organizational Charts
- C. WorkSmart Kentucky KWIB Strategic Plan (separate attachment)
- D. Kentucky Grievance and Appeals Procedures
- E. Kentucky EEO Grievance Procedures
- F. Kentucky Non-discrimination Statement
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I. State Vision

Describe the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce. Provide a summary articulating the Governor's vision for a workforce investment system utilizing the resources of the public workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§112(a) and (b)(4)(A-C).)

Governor Steve Beshear envisions a workforce system in Kentucky that breaks down the silos that have dominated the landscape of workforce development for many years. The new system will fully integrate state and local resources to create a seamless system to serve the employer community, as well as the individuals who will use the system. As a demonstration of his commitment to transform the system, Gov. Beshear dissolved the commonwealth's previous workforce investment board and established a new board in its place. The size of the board was increased dramatically to include representatives from a variety of state government cabinets, businesses and stakeholder groups that would be necessary to affect change in a meaningful way.

The new board was installed in the spring of 2009 and immediately began a process to develop a strategic plan to transform Kentucky's workforce development system. This plan would help the state meet the challenges of a changing global economy and address the most immediate concerns of the "Great Recession." The process included an extraordinary stakeholder engagement process with input from employer and individual customers, local and state workforce professionals, economic development officials, educators and business leaders.

What emerged was a consensus belief that the system was overly complex, not user friendly, program driven, and lacked the cohesion of an efficient and effective service-delivery organization. It also became obvious to the business leaders guiding the planning process that working with the status quo would not yield the desired results. A push for innovative solutions to the challenges identified would be critical for success. The use of national best practices and private sector business models were employed.

What emerged was a philosophy that investment decisions should be based, not on the availability of funding streams or existence of programs, but rather on the demand for occupations, the hiring needs and challenges of Kentucky's employers, and the best available data on new and emerging businesses. Instead of running programs,

Kentucky would become a state where the workforce system was in the employer-solutions business.

With an extraordinary amount of stakeholder input, the business- and industry-led committees of the board developed a vision statement to guide the development of goals.

- A. What are the State's economic development goals for attracting, retaining and growing business and industry within the State? (§112(a) and (b)(4)(A-C).)

A New Vision for Kentucky's Workforce System

Kentucky will transform the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.

As a candidate for and as Governor, Steven Beshear has advocated for the advancement of economic development in Kentucky that is tied to creating well-paying jobs for Kentuckians in the 21st-century economy. His vision centers on a highly skilled workforce serving new and emerging industries in the energy, healthcare, advanced manufacturing, and technology sectors. Gov. Beshear envisions Kentucky as a leader in the manufacture of the vehicles of tomorrow. He also sees the diverse Kentucky landscape as an opportunity to accentuate each region's resources in a dynamic economic development arena rich with talent.

As Gov. Beshear took office, America's economy was already showing signs of crisis. Kentucky, like all other states, was facing rising unemployment, plant closures, and a slowdown in almost every business sector. In response, a focus on innovation became synonymous with the work of the Cabinet for Economic Development. The cabinet's Department of Commercialization and Innovation is at the forefront by leading the commonwealth's efforts to encourage business innovation, and build and promote technology-driven and research-intensive industries, while creating clusters of innovation throughout the state.

The department's overall mission includes recruiting, creating and retaining high-tech companies and jobs, producing new products and services, and developing new and improved processes. The department:

- manages the Kentucky Innovation and Commercialization Center Program, which includes six regional Innovation & Commercialization Centers (ICCs) and seven local Innovation Centers (ICs),
- monitors the return on investments and effectiveness of the Kentucky Innovation Act,
- builds infrastructure for the new economy to promote networks of technology-driven clusters and research-intensive industries,

- supports the growth and creation of research and development and high-tech companies in five technology focus areas:
 - human health and development
 - information technology and communications
 - biosciences
 - energy and environmental technologies
 - materials science and advanced manufacturing

The department also actively promotes and seeks out a wide range of partnerships and alliances between government, academic institutions, economic development organizations and industry. These collaborative efforts can provide synergy and access to resources that exceed those of individual members.

The Cabinet for Economic Development and the state's workforce partners meet regularly to assure that both efforts are aligned to maximize the state's return on investment.

- B. Given that a skilled workforce is a key to the economic success of every business, what is the Governor's vision for maximizing and leveraging the broad array of Federal and State resources available for workforce investment flowing through the State's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the State's business and industry? (§112(a) and (b)(4)(A-C).)

In June 2009, Gov. Beshear reconstituted KWIB and at its initial meeting the Governor's Chief of Staff Adam Edelen articulated Gov. Beshear's expectations.

Edelen stated, *"The Kentucky Workforce Investment Board (KWIB) is charged with developing a strategy that is going to make sure every child and every member of our workforce is able to realize their dreams here, raise their families, make a living and be able to compete. The work here is critical for setting the tone for the entire state and that is an important mandate. The Governor charges the KWIB to consider and make recommendations on the infrastructure necessary to support workforce development activities in the way that major players can both work together collectively and more effectively leveraging available funding for both public and private sources. The Governor's goal for the KWIB is to establish a true system for workforce development activities that will be flexible, coherent and responsive to the needs of businesses and is designed to ensure that Kentucky has the workforce able to meet the challenges of the 21st century."*

It was with that charge in mind that the board began a strategic planning process resulting in the "WorkSmart Kentucky Strategic Plan" (See Attachment C). The plan demonstrates a commitment to leveraging state and federal resources focused on workforce investment across state government. The process to develop the strategic plan involved all board members representing a variety of agencies, as well as business and community partners. Focus groups consisting of business people,

customers and staff were conducted. Each of the 25 action steps included in the WorkSmart plan is grounded in vertical and horizontal partnerships across state government.

An example of a vertical partnership effort supporting the Governor's expectations is the Sector Strategies action step that focuses federal and state resources around statewide and regional growth sectors detailed elsewhere in this document. This action step will impact K-12, community college, university, economic development and workforce development investment in sector strategies. In addition, it will guide the creation of talent development pipelines to support the regional and state identified sectors.

An example of a horizontal partnership effort is the Partner for Success action step. It is an internal effort of the Department of Workforce Investment that is focused on integrating service delivery of all four offices within the department. Those offices are the Office for the Blind, the Office of Career and Technical Education, OET, and the Office of Vocational Rehabilitation.

A means of supporting the Governor's desire that the major workforce development partners work collaboratively is the Workforce Development Academy. This action step will provide training for all partners at every level of the system to be demand-driven and solutions based to ensure a customer-centric service delivery methodology. This initiative is being funded through the Governor's Statewide Reserve.

The Statewide Reserve investments are also being used to seed projects such as Skill Up that support skill development to meet the needs of business and industry. This is Kentucky's adaptation of the I-Best model integrating adult education and industry certification into one curriculum for adult learners that is currently being piloted across the commonwealth.

C. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4)(A-C).)

During the Governor's State of the Commonwealth speech on February 1, 2011, he declared, "*Our challenge, this night and in the mornings ahead, is to continue employing sound and strategic approaches to help our families and businesses survive ... attacking fundamental problems plaguing our people ... and transforming government through a strict diet of fiscal responsibility, ethics and integrity.*"

Two of the three priorities that the Governor detailed in his address were education and creating jobs, which re-emphasized the charge that the Governor gave to the KWIB. He has challenged the system to move away from a silo program and service delivery model to a system that is structured based on inputs, value-added processes

and outputs. Inputs include human capital, funding streams, partners, physical components and data. Value-added processes are focused on career development, workforce readiness, employee/employer services and support services. Finally, outputs are workers meeting the needs of our business and industry customers that continue to drive quality-control efforts.

The Sector Strategies referenced above will assist the commonwealth with the education and job creation priorities, as well as working as a system. This will be accomplished by adapting to the changing skill needs derived from innovative practices and new technologies that business and industry are embracing. Additionally, in 2011 an Industry Partnerships initiative will be launched that provides seed money to identify emerging skill needs. That information will be used to adjust education and training investments to meet the needs of state and regional growth sectors. Information garnered through Industry Partnerships will be folded into the Eligible Training Provider List Enhancements KWIB initiative to ensure that providers are meeting the current and future needs of high-growth sectors.

Another structural endeavor is the Adult Basic Education to Credentials effort. Kentucky has applied to participate in a new phase of Breaking Through, a four-year initiative to help more low-skilled adults obtain a community college certificate or degree that is in high-demand occupations and is valued by employers. A leadership team has been formed with Kentucky Community and Technical College System (KCTCS), Kentucky Adult Education (KYAE) and the Kentucky Department of Workforce Investment to evaluate and overhaul state education and training policy to support skill attainment for low-skilled adults. It is going to analyze a number of pilot efforts underway through each partner such as Skill Up which will result in modified policy, procedures and credential attainment in areas critical to Kentucky employers.

A grassroots, complementary initiative that will be rolled out this year is Work Ready Communities, another action step included in the WorkSmart plan. This initiative is designed to reinforce the need for local and regional collaboration among business, education, workforce and economic development to meet the needs of a skilled workforce. Counties and regions can be certified as work ready by meeting threshold criteria on trainability, productivity and quality of life.

The Governor has demonstrated his commitment to ensuring an education and training continuum via Statewide Reserve investments such as Skill Up, Prescription for Health, and Sector Internship.

- D. What is the Governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the public workforce system to continuously identify the workforce challenges facing the State and to develop innovative strategies and solutions that effectively leverage resources to address those challenges? (§112(b)(10).)

A common thread woven throughout the state's new strategic plan is the critical success factor of collaboration at the state, regional and local level. The most visible examples of how this vision of cooperation and leveraging of resources should manifest itself can be found in the implementation of the following three projects.

1. Making Investment Decisions Based on Sector Strategies

Sector strategies will be developed by state and regional, employer-driven partnerships of industry, education and training, and other stakeholders focusing on developing workforce expertise to meet the needs of key industries. It will coordinate information and resources to develop and implement effective responses to workforce challenges common among employers.

The state will develop a toolkit for local workforce areas to use in developing effective sector strategies at the local and regional level. In addition, the state will identify several sectors with statewide impact, and under the leadership of business leaders from that sector, fully develop a strategy to serve as the model for all future state, regional and local efforts.

A critical success factor for this project is the engagement of the employer community with economic development, educators, elected officials and the workforce system, however the workforce system should not drive the development of a strategy - strategies must come from the private sector.

2. Certifying Work Ready Communities

“Although the exodus of manufacturing from the United States to offshore locations that became more pronounced during the past 20 years was devastating to many communities, it can be argued that the loss of these lower-skilled production operations made room for the next generation of manufacturing and production that is still occurring today. New industries such as biotechnology and advanced manufacturing require higher-skilled workers and flexible labor forces that many less-developed nations do not offer.” – Area Development On-Line, March 31, 2010

In order for Kentucky to remain competitive for these new industries, our communities must promote the availability of that skilled workforce. To provide business and industry with the assurance of the availability of this resource, the KWIB is creating a program to certify communities as “work ready.” Communities must apply for this certification and meet certain high standards for education attainment and credentialing in order to receive the status. Based on the Georgia and Oklahoma models, Kentucky will add criteria demanded by employers in today's economy, including the documentation of achievement in soft skills and computer literacy. Work ready certification gives an assurance that economic development, education, workforce development and local elected officials are aligned in support of common goals that improve the skills of workers.

3. Creating an Economic Development Academy

In collaboration with the Cabinet for Economic Development and the Kentucky Association for Economic Development, the state will conduct one-day programs at various locations throughout the commonwealth to bring together local workforce investment board (LWIB) members, economic development authorities, local elected officials, and members of the state general assembly representing the region.

The purpose of this academy is to explore ways they can collaborate to achieve community and statewide economic development goals. This integrated workforce system will be a tool for recruiting and expanding business and industry, and bringing more quality jobs to Kentucky.

As a spin-off of the academy, a half-day session focused on innovative leadership was recommended in the strategic plan. This supplement can be conducted in conjunction with or as a standalone to the Economic Development Academy. The Innovation Leadership Forum will expose local elected officials and economic development professionals to the importance of focusing on innovation for economic growth and “growing our own” as an alternative to reliance solely on chasing the “big win” of a major manufacturing operation.

Like most of the projects proposed by the strategic plan, integrating other actions steps with this one is a critical success factor. In this case, development of Kentucky’s Mind Your Own Business (entrepreneurship), Sector Strategies, Work Ready Communities and others will be part of the academy.

- E. What is the Governor’s vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need, such as out of school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farmworker youth, youth with disabilities and other youth at risk? (§112 (b)(18)(A).)

Gov. Beshear created the Transforming Education in Kentucky (TEK) task force over a year ago to provide valuable guidance to shape the future of education in our state. The goal of the task force is to create a unified vision of what schools in the commonwealth need to offer to better serve students today and tomorrow. TEK builds on current efforts like the Common Core Standards Initiative, Graduate Kentucky, and the Gates Foundation/SREB college and career readiness initiative. Against a backdrop of renewed energy and activity, the task force finalized recommendations to channel all of these efforts into an integrated and comprehensive system of education in Kentucky. A few of the key tenets inherent in the recommendations are as follows:

- improving college and career readiness
- providing every student with the opportunity to earn college credit during high school,

- making better use of technology to improve teaching and learning,
- improving academics in career and tech schools, and
- creating a system of assessments that measure what employers value.

Graduate Kentucky is another initiative of the Governor and First Lady Jane Beshear that applies a community approach to preparing the young people in the commonwealth. It was established with the recognition that the greatest challenge to preserving and expanding Kentucky's comprehensive excellence in the global community of the 21st century rests in our ability to produce an educated workforce. Regional summits over the past two years have brought to the forefront strategies that students, parents, schools, communities and businesses can use to keep students in school. Legislation that would raise the dropout age to 18 while requiring the creation of richer alternative education options for young people was introduced in the Kentucky General Assembly and was passed in the House but failed to be heard in the Senate committee.

Within the workforce system, the focus has been on strengthening transition services and support strategies that lead to the development and achievement of career goals through education and workforce training. The hope is to create an early-warning system to target at-risk youth that are most in need including those that are homeless, in foster care, aging out of foster care, offenders, children of incarcerated parents, migrant and seasonal farm workers, and youth with disabilities. This year, Kentucky Adult Education, the Office of Career and Technical Education and OET have specifically focused its transition services and support strategies on out-of-school youth, those in adult education and those in career and technical education.

These three agencies have invested in a multi-media outreach campaign entitled Know How To Go with a supporting website at <http://knowhow2goky.org/> which is organized based on where specific target populations can plug into the education and training pipeline. Messaging targets those that need to stay in school, pursue adult education and take the next step in training. Another non-traditional outreach program to reconnect out-of-school and at-risk youth to education and training has been through Kentucky's public library system. Offering computers, workshops and staff assistance in public libraries is a non-threatening access points for youth.

In addition, the WorkNow Kentucky program, which was implemented in the summer of 2010, placed TANF eligible youth and adults in subsidized employment. Of the 9,314 low-income youth and adults with children that were hired across the state through the program, 6,896 were in the 16-24 age group. Nearly one in five people who participated in WorkNow Kentucky not only found a temporary job but also a gateway to a permanent position. There were also a significant number of young people that entered into education and training programs through the LWIBs upon completion of the program.

Gov. Beshear also established the Governor's Re-entry Task Force in 2009 to research innovative drug treatment, causes of recidivism and best practice methods to

improve education and vocational training for people who are incarcerated. The Governor's goal is to reduce the recidivism rate by 50 percent over a five-year period. Recommendations from the task force will be used to develop youth service strategies and chose Statewide Reserve investments to help young offenders.

II. State Workforce Investment Priorities

Identify the Governor's key workforce investment priorities for the State's public workforce system and how each will lead to actualizing the Governor's vision for workforce and economic development. (§§111(d)(2) and 112 (a).)

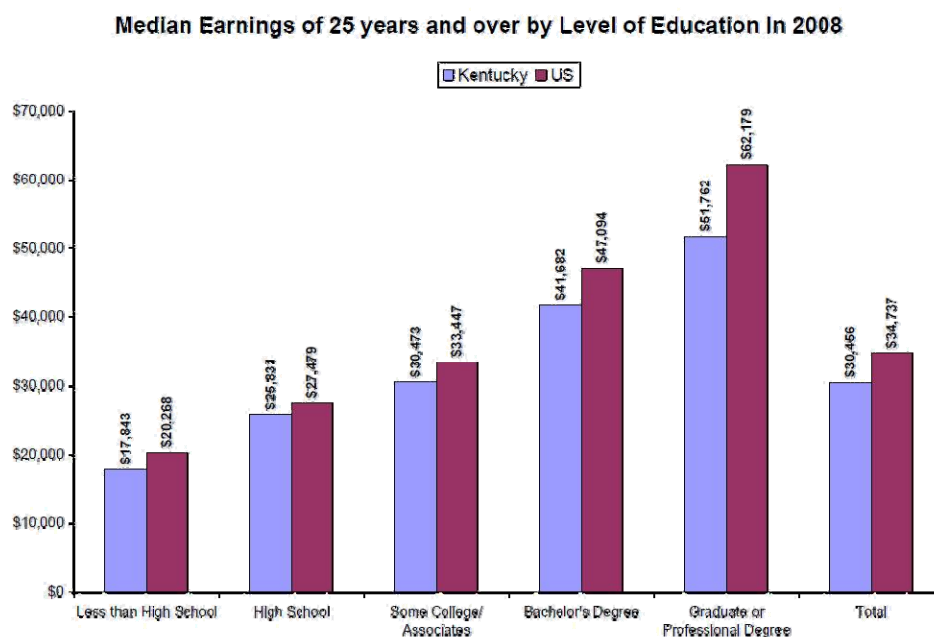
The WorkSmart Kentucky plan lists four goals which must be met in order to achieve the integrated solutions-based system envisioned by the Governor:

- align the commonwealth's workforce development system with Kentucky's education objectives,
- align the commonwealth's workforce development system with economic development strategies,
- simplify the workforce development service delivery system, and
- improve service to achieve a customer-centered delivery system.

Align the Commonwealth's Workforce Development System with Kentucky's Education Objectives

Data generated by the United State Bureau of Labor Statistics reveals how education impacts the lives of Americans by looking at the average salaries and unemployment rates of workers with a variety of educational and training backgrounds.

This chart demonstrates why education is such an integral component to the financial success of families and individuals.



Source: U. S. Census Bureau, American Community Survey

Align the Commonwealth's Workforce Development System with Economic Development Strategies

Beginning with the economic crisis of 2008-2009, a national dialogue about a “new economy” emerged. According to neweconomyindex.org, a service of the Progressive Policy Institute, core beliefs about economic development strategies are shifting to a system which places a higher value on the quality and characteristics of the workforce rather than traditional strategies and tactics like financial incentives and cheap labor.

In the old economy, people believed that:

- Being a cheap place to do business was the key.
- Attracting companies was the key.
- A high-quality physical environment was a luxury and stood in the way of attracting cost-conscious businesses.
- Regions won because they held a fixed competitive advantage in some resource or skill.
- Economic development was government led.

In the new economy, people believe that:

- Being a place rich in ideas and talent is the key.
- Attracting educated people is a key.
- Physical and cultural amenities are key in attracting knowledge workers.
- Regions prosper if organizations and individuals have the ability to learn and adapt.
- Only bold partnerships among business, government, and nonprofit sector can bring about change.

SOURCE: Progressive Policy Institute

Most analysts agree the majority of jobs lost during the current recession will not return, therefore new jobs in high-demand and emerging industries are key to the economic vitality of communities. Identifying the right business sectors to attract and grow and preparing for their needs is a focus for both economic and workforce development organizations.

The O*NET Resource Center, funded by the U. S. Department of Labor and developed by the North Carolina Employment Security Commission, serves as a national online resource for job seekers and workforce professionals. According to their research, the following sectors have been identified nationally as high-growth or high-demand in the near future:

Advanced Manufacturing
Aerospace
Automotive
Biotechnology
Construction
Education
Energy
Financial
Geospatial

Green
Healthcare
Homeland Security
Hospitality
Information Tech
Nanotechnology
Retail
Transportation

While the American Recovery and Reinvestment Act (ARRA) was designed to stimulate some areas, such as energy, construction and automotive, others see the recession itself as a form of stimulus that is creating new businesses and employment opportunities.

“This upside-down economy is creating entrepreneurial opportunities aplenty, so long as you can deal with a situation about as stable as a lava flow,” writes Jennifer Wang in Entrepreneur Magazine.

She cites results from Challenger, Gray & Christmas' job market index that indicates that in the second quarter of 2009, nearly 9 percent of people looking for work became re-employed by starting their own businesses.

She also quotes Kauffman Foundation Analyst Dane Stangler, "Ten, 15 years from now, there will be a slew of companies that we'll point to and say they started in the recession. You don't see them yet, but you can be sure they're out there. In fact, more than half of today's Fortune 500 companies were founded during a recession or bear market.”

Simplify the Workforce Development Service Delivery System

When asked about the difference between in-person and online customer service, Diane Booher, president of Booher Consulting in Dallas/Ft. Worth and best selling author of books about communications and customer service, said in an article on About.com, “The primary difference is that you have difficulty in building rapport with customers because there are fewer occasions of real-time interaction. A second difference is that customers seem to be more fickle and hostile because they can chose to remain anonymous. They're in; they're out; they move on without a second thought. First impressions about how user-friendly your site is, for example, get translated to how user-friendly your products and services are in general.”

It should be noted that there are more than 12 individual websites that make up the commonwealth's online workforce presence. Some of the sites provide links to others, some have complex navigation menus, and many use jargon, acronyms and terms exclusive to workforce development. Few, if any of the sites appear like they are part of the same system as each has its own identity and design scheme. In addition, each local workforce area has its own online presence and services. Currently, there is no single point of entry into the online system, nor does Kentucky employ a user-friendly, intuitive navigation feature to easily take users to their desired online destination.

This lack of consistency is one of the driving forces behind the concept of rebranding the system.

“Commercial marketers have been touting the virtues of a powerful identity for years. Disney, Sony and Nordstrom all have strong corporate identities that translate into

better performance and bigger profits. In the last decade, many government organizations have built marketing campaigns based on a distinctive identity. The Postal Service, the Census Bureau and the IRS, to name a few, have all embarked on strategic branding efforts that hit home with their constituencies and advance their missions.

“Whatever their nature, organizations creating a brand face two problems: being under-valued and lacking a consistent, organization-wide message.”

– Moshe Engelberg, Ph.D., founder and president of ResearchWorks, Inc.

Rebranding the system will only be successful if the system itself reflects the brand. Important changes to Kentucky’s system are proposed to meet the changing needs of our customers and how they access our systems. The use of interactive, web-based service delivery is but one area that is due for an overhaul.

In February 2010, Forbes Magazine identified four new trends in how job seekers are exploring career options and finding work. The four trends mentioned included:

1. Social networking sites
2. Smart phones
3. Podcasts
4. Blogs

While these tools may be used today by job seekers not currently using the workforce development system, we know that as technology advances, it becomes less expensive and more accessible to the entire population. As employer and job seeker clients adapt to new technologies the workforce system must respond in kind to properly serve our customers.

Improve Service to Achieve a Customer-centered Delivery System

Booher said, “Customer service is dependent on three things: customer-friendly policies set by the organization's executives, training offered to the staff, and the attitude of the staff about their own organization as generated by the way their company treats them.

“If executives don't actually know/see how their policies get executed on the frontline, they're often shocked to discover the actual results of how the policies get carried out/enforced. If people aren't trained on specifics (not just smile and use people's names), they don't know how to build customer loyalty even when they want to. For example, you may tell a frontline staffer to acknowledge customers when they walk in the door. But they have to know HOW to acknowledge them. Is it appropriate to say, ‘Next’ to the next person, thereby making them feel like a number rather than person?”

III. State Governance Structure (§112(b)(8)(A).)

A. Organization of State agencies in relation to the Governor:

1. Provide an organizational chart that delineates the relationship to the Governor of the agencies involved in the public workforce investment system, including education and economic development and the required and optional One-Stop partner programs managed by each agency.

The organizational chart that details the relationship of the Governor to those agencies engaged in the public workforce investment system can be found in Attachment B.

2. In a narrative describe how the agencies involved in the public workforce investment system interrelate on workforce and economic development issues and the respective lines of authority. States should describe how the Governor is ensuring cross-agency collaboration.

The organizational chart referenced in III. A. 1. provides a visual depiction of the relationship between agencies engaged in the public workforce investment system. Gov. Beshear is ensuring cross-agency collaboration via Executive Order 2009-438 dated May 12, 2009. The executive order provides for a coordinating council comprised of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:

- Governor or designee
- Secretary of the Cabinet or designee
- Chief of Staff to the Governor or designee
- Secretary of Economic Development
- Secretary of Education and Workforce Development
- Secretary of Labor
- Secretary of Tourism and Heritage Cabinet
- Commissioner of Education
- Commissioner of Workforce Development
- President of Kentucky Community and Technical College System
- President of Council on Postsecondary Education

An example of the cross-agency collaboration is the development process of the WorkSmart Kentucky plan. The executive director of the KWIB met with every member of the steering committee to generate ideas and then the steering committee coalesced around potential action steps to support the four goals identified earlier in this document set forth by the Governor. Those potential action steps were then brought forth through the committee process where priority action steps were

identified and recommended to the full board. It is now the responsibility of the various state government partners identified in each of the approved action steps and stakeholders to implement each action step.

B. State Workforce Investment Board (§112(b)(1).)

1. Describe the organization and Structure of the State Board. (§111).)

The Executive Order establishing the board, states:

I. The Membership of the Board shall be as follows:

A. A Coordinating Council comprised of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:

- *Governor or designee*
- *Secretary of the Cabinet or designee*
- *Chief of Staff to the Governor or designee*
- *Secretary of Economic Development*
- *Secretary of Education and Workforce Development*
- *Secretary of Labor*
- *Secretary of Tourism and Heritage Cabinet*
- *Commissioner of Education*
- *Commissioner of Workforce Development*
- *President of Kentucky Community and Technical College System*
- *President of Council on Postsecondary Education*

B. Twenty one (21) additional members shall be appointed by the Governor. Such members must (1) represent a business as a high-level executive such as an owner, CEO, or COO, of a company that represents the employment opportunities in the state, and (2) be appointed from among individuals nominated by a state business organization or trade association.

C. Two (2) chief elected officials representing municipalities and counties.

D. Two (2) representatives of labor organizations.

E. One (1) representative of individuals and organizations who has experience with respect to youth activities.

F. One (1) representative of individuals and organizations who has experience in the delivery of workforce investment activities.

G. The lead state agency official with responsibility for the programs and activities of the state One-Stop delivery system.

H. Two (2) members of each chamber of the General Assembly.

II. Members of the Board shall be initially appointed to serve staggered terms and thereafter for terms of four years.

III. The Board shall be attached to the Cabinet for Education and Workforce Development for administrative and staff purposes.

2. Identify the organizations or entities represented on the State Board. (§§111(a-c), 111(e), and 112(b)(1).)

Adair, Benny
Directing Business Representative
Machinist Union District 154
Marshall County

Allen, Kenneth
VP of Operations
Armstrong Coal Company
Hopkins County

Beshear, Governor Steven L.
Governor
Commonwealth of Kentucky
Franklin County

Brinly, Beth
Commissioner
Dept. of Workforce Investment
Franklin County

Brown, Mark
Secretary
Kentucky Labor Cabinet
Franklin County

Christman, Rick
CEO
Employment Solutions
Fayette County

Clark, Larry
Representative
Kentucky General Assembly
Jefferson County

Cole, James
Senior Advisor
The Cole Group
Campbell County

Combs, Leslie
Representative
Kentucky General Assembly
Pike County

Flynn, Betsy
President
Community Financial Services
Calloway County

Gannon, Oliver (Keith)
CEO
BONEAL, Inc.
Montgomery County

Gibson, Crystal
VP of Public Affairs
Citi
Boone County

Grieshop, Joe
Judge Executive
Harlan County

Haydon, Hugh
CEO
Biotech Company
Daviess County

Hayes, Larry
Secretary
Cabinet for Economic Development
Franklin County

Higgins-Stinson, Sandra
Health Care Executive
The Thomas Group
Hopkins County

Holmes, Edward
President
EHI Consultants
Fayette County

Ikerd, Frank
CEO
Ikerd Companies
Pulaski County

Krase, Herbert
Senior VP of Administration
Toyotetsu America, Inc.
Pulaski County

Lekites, Robert
President
UPS Airlines
Jefferson County

Margulis, Heidi
Senior Vice President
Humana, Inc.
Jefferson County

Hamton, Debra
Chief Nursing Officer
University of Cincinnati Health
Pike County

Haydon, Mike
Chief of Staff
Office of the Governor
Franklin County

Higdon, Jimmy
Senator
Kentucky General Assembly
Marion County

Holliday, Terry
Commissioner
Ky. Department of Education
Franklin County

Huston, Kimberly
President
Nelson Co. Econ. Dev. Agency
Nelson County

King, Robert
President
Council on Postsecondary Education
Franklin County

Lassiter, Mary
Secretary of the Executive Cabinet
Office of the Governor
Franklin County

Marcum, Roger
Executive Vice President
St. Catharine College
Nelson County

McCall, Michael
President
Ky. Comm. & Technical College System
Woodford County

McGaha, Vernie

Senator
Kentucky General Assembly
Russell County

Needham, Mark

Base Realignment & Closure Advisor
Office of the Governor
Franklin County

Nuckols, Kelly

CEO/General Manager
Jackson Purchase Energy Corp.
McCracken County

Roll, Gerry

Executive Director
Community Foundation of Hazard & Perry Co.
Perry County

Smith, Daryl W.

Project Manager Economic Development
LG&E and Kentucky Utilities
Fayette County

Whalen, Diane

Mayor
City of Florence
Boone County

Meyer, Joseph U.

Secretary
Education & Workforce Dev. Cabinet
Franklin County

Needham, Lara H.

Associate Director
School of Communication
Bellarmine University
Jefferson County

Rhoads, Judith

President
Madisonville Comm. & Technical College
Hopkins County

Shurn, Kevin

CEO
Superior Maintenance Co.
Hardin County

Sparrow, Marcheta

Secretary
Tourism, Arts & Heritage Cabinet
Franklin County

Zawacki, Tom

General Manager-General Affairs
Toyota Engineering & Manufacturing
Scott County

3. Describe the process your State used to identify your State Board members. How did you select board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the State as required under WIA? (20CFR 661.200).)

Section 3 B of the Executive Order establishing the Board states:

Twenty one (21) additional members shall be appointed by the Governor. Such members must (1) represent a business as a high-level executive such as an owner, CEO, or COO, of a company that represents the employment opportunities in the state, and (2) be appointed from among individuals nominated by a state business organization or trade association.

Due to a couple of recent resignations because of retirements and job changes, it became necessary for the Governor to appoint new members to the board. The procedure followed included correspondence with the president of the Kentucky Chamber of Commerce for a nominee to replace a business at large member, the executive director of the of the Kentucky Association of Counties for a nominee to replace a county judge-executive representative, and the executive director of the Kentucky Association of Manufacturers for a replacement of a manufacturing sector representative.

4. Describe how the board's membership enables you to achieve your vision described above. (§§111(a-c) and 112(b)(1).)

The diverse representation of the board's membership enriched the strategic planning process and yielded a more robust and workable document because there was a variety of perspectives, ideas and solutions at meetings and planning activities.

Their dialogue generated out-of-the-box solutions because they represented a wide variety of disciplines and expertise, and they actively discussed issues and concepts.

An example of how the KWIB takes advantage of this diversity can be found in the makeup of steering committees overseeing the implementation of projects identified by the strategic plan. Members of the board understand the importance of bringing the right expertise to the table and have used their influence to encourage stakeholders and subject matter experts not on the board to serve on these steering committees.

The committee overseeing the rebranding of the workforce system includes economic development, corporate, local workforce board, partner agencies, marketing and cabinet leadership, in addition to the members of the KWIB.

5. Describe how the Board carries out its functions as required in sec. 111 (d) and 20 CFR 661.205. Include functions the Board has assumed that are in addition to those required. Identify any functions required in sec. 111 (d) the Board does not perform and explain why.

Section 2 of the Executive Order establishing the new board states:

The duties of the Board shall include assisting the Governor in complying with the provisions and requirements of the Workforce Investment Act of 1998 pursuant to 29 U.S.C. 2822 and any and all other duties and functions pursuant to 29 U.S.C. 2821 and 29 U.S.C. 2822 and to assist the Governor in developing and implementing the state Perkins Plan set forth in 20 U.S.C. 2341 and 20 U.S.C. 2342.

The responsibilities described in section 111 (d) and 20 CFR 661.205 and the manner in which they carry them out include:

The State Board must assist the Governor in the:

- *Development of the State Plan*

The KWIB spent nearly one year developing a strategic plan that engaged the business community, partner agencies, customers and other stakeholders to identify ways to transform the state's workforce system. That plan is the foundation for this DOL-required document. According to Education and Workforce Development Cabinet Secretary Joseph U. Meyer, implementation of the strategic plan is the work plan for the cabinet.

- *Development and continuous improvement of a statewide system of activities that are funded under subtitle B of title I of Workforce Investment Act, or carried out through the one-stop delivery system, including*
- *Development of linkages in order to assure coordination and non-duplication among the programs and activities carried out by one-stop partners, including, as necessary, addressing any impasse situations in the development of the local Memorandum of Understanding; and*
- *Review of local plans*

All of the projects proposed and being championed and monitored by the KWIB are designed to continuously improve the system. The board has specifically established and is currently overseeing the development of a One-Stop Certification Policy Framework, to assure coordination of resources and seamless customer service. Board staff members, who have expertise in planning, have been directed to review and recommend improvements to the instructions to develop local plans, so plans will be meaningful to private sector members of local boards and not serve as compliance documents for state agencies.

- *Commenting at least once annually on the measures taken under section 113(b)(14) of the Carl D. Perkins Vocational and Technical Education Act*

The KWIB requests an annual presentation about the Perkins Act implementation in the state and serves as the responsible party for approving the plan at the state level.

A presentation by John Marks of the Kentucky Office of Community and Technical Education at the November 2010 meeting generated a dialogue regarding how funds are distributed. That continues to engage board members.

- *Designation of local workforce investment areas*

Designation of the local workforce investment areas was made in 1998 and no changes to those designations were proposed in the new strategic plan. The board did support the continued federal designation of the Eastern Kentucky Concentrated Employment Program at its August 2010 meeting.

- *Development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas, as permitted under WIA sections 128(b)(3)(B) and 133(b)(3)(B)*

Allocation formulas were established by the previous board. No changes to these formulas were requested or proposed in the new plan.

- *Development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the state, as required under Workforce Investment Act section 136(b)*

As stated in the executive order, the KWIB is attached to the Education and Workforce Development Cabinet for administrative and staffing purposes. OET, within the cabinet, is the designated agency charged with negotiations for local performance and state performance measures and reports regularly to the board as to the achievement or lack of achievement of those standards.

- *Preparation of the annual report to the Secretary described in Workforce Investment Act section 136(d)*

At one of its regular meetings, the board reviews and approves the annual report prepared for the Secretary by OET. Members are encouraged to comment and offer recommendations for useful content in addition to that required for compliance with federal agency regulations.

- *Development of the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act*

The board annually reviews the work of the Office and Employment and Training's Statistics branch as well as its annual request for federal funding.

- *Development of an application for an incentive grant under Workforce Investment Act section 503. (WIA sec. 111(d).)*

This application is developed within the cabinet. In the past the board has reviewed and approved this application before it is submitted.

6. How will the State Board ensure that the public (including people with disabilities) has access to board meetings and information regarding State Board activities, including membership and meeting minutes? (20 CFR 661.205)

All Kentucky Workforce Investment Board and its committees' meeting locations are held in either state owned or operated Americans with Disabilities Act compliant facilities or facilities which meet the same standards belonging to partner agencies, private sector members or others. The KWIB is represented on both the Kentucky Assistive Technology Services Network as well as the Statewide Council on Vocational Rehabilitation.

Applications for membership on the KWIB are available through the Governor's Office of Boards and Commissions. KWIB staff also maintains current copies of the required forms and provides them upon request. The cabinet is home to the Office of Vocational Rehabilitation, Office for the Blind, and the Commission on the Deaf and Hard of Hearing which serve as advisors in the event special arrangements are required to meet the needs of members and their guests at meetings or other functions.

Minutes of board meetings are posted on the board's website after they are approved. Committee notes are available upon request.

7. Identify the circumstances which constitute a conflict of interest for any State or local workforce investment board member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), and 117(g).)

On May 27, 2008, Governor Beshear issued Executive Order 2008-454, amended by Executive Order 2009-882, establishing certain ethical standards for members of policy-making and regulatory boards and commissions. These standards were issued to insure that board and commission members who serve in the public sector are accountable to the people of the Commonwealth. The ethical guidelines in the executive order do not subject board and commission members to all provisions of the Executive Branch Code of Ethics contained in KRS Chapter 11A. The ethical standards that do apply to board and commission members specifically relate to the prohibition against self dealing, the obligation to disclose in writing or in the minutes of a meeting a direct or indirect interest, and gift acceptance provisions.

Section VI of the board's adopted Statement of Executive Authority and Rules of Procedure states:

A member of the Kentucky Workforce Investment Board may not vote on a matter under consideration by the Board: regarding the provision of services by such member (or by an entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member. A member of the Board may not engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State Plan.

8. What resources does the State provide the board to carry out its functions, i.e. staff, funding, etc.?

As stated in the executive order establishing the new KWIB, the board is attached to the Education and Workforce Development Cabinet for administrative and staffing purposes. In keeping with this directive, the cabinet provides the board with an executive director and administrative assistant. Office space, equipment, supplies and resources necessary to carry out the administrative functions of the board (including memberships, travel, professional development, etc.) are provided.

C. State Agencies and State Board Collaboration and Communication (§112(b)(8)(A).)

1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the State and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing State-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)
 - a. States should describe how collaboration will be supported and sustained between state agencies, particularly between the organizational entities responsible for WIA, Wagner-Peyser Act, Unemployment Insurance, Trade Act services, and Registered Apprenticeship.

As identified in the organizational chart referenced in III. A. I., the Education and Workforce Development Cabinet includes the Department of Workforce Investment comprised of the Office of Vocational Rehabilitation, the Office for the Blind, the Office of Career and Technical Education, and OET. OET administers the following activities authorized under Section 112(b)(8)(A). Integrating components of the Trade Act program with the WIA dislocated worker program further enhances operational collaboration of workforce investment activities. By housing education and other training initiatives, duplication of services is reduced. Further a focus on re-employment services is facilitated by Unemployment Insurance, Wagner-Peyser and WIA services in OET.

The configuration of the KWIB also encourages collaboration among state and local public and private entities through state board membership and through the state board's committee structure by ensuring, in addition to WIA requirements, broad geographic representation. Board members also are encouraged to be engaged in their community workforce investment activities. Attendance at and participation in state board committee meeting discussions by local workforce investment area board members, local business leaders, local and state partner representatives, and other workforce stakeholders are encouraged. Information about meeting dates and locations is made available to local board staff and members, as well as to the general public and business community through state meeting notification procedures and the state board's website. Further, the KWIB chair meets with local board chairs to discuss local board concerns and how the state board can support and enhance their activities.

The WorkSmart Kentucky plan also lays out the foundation to improve operational collaboration at both the state and local levels. The Partner for Success action step provides the policy framework for operational efficiencies and effectiveness. A leadership meeting will be held in April 2011 to outline expectations which will result in a vision document for collaboration. The vision document will be released in summer 2011. Then institutes will be held in the fall for all partners to reflect best practices that support the collaborative system vision. Individual one-stops will then develop a strategic plan for implementing the new vision by the end of calendar year 2011.

The new vision will be supported by state-level joint policy, and local technical support when the Workforce Development Academy, One-Stop Certification process and High Performing WIBs initiative are rolled out.

Other initiatives that support collaborative policy and operations include Sector Strategies, Branding and Identity, Apprenticeships, Rapid Response Redesign, Economic Development Academy, Case Management and Unemployment Insurance Customer Service Plan.

2. Describe the lines of communication established by the Governor to ensure open and effective sharing of information among the State agencies responsible for implementing the vision for the public workforce system; between the State agencies and the State Workforce Investment Board.

Open lines of communication are maintained through the Governor's Executive Cabinet. The Executive Cabinet is comprised of secretaries from the following Cabinets: Economic Development; Energy and Environment; Public Protection; Finance and Administration; Health and Family Services; Justice and Public Safety; Labor; Personnel; Transportation; Tourism, Arts and Heritage; and Education and Workforce Development. Top level input into the policy discussions impacting workforce investment activities is guaranteed by having top state political leaders who are responsible for implementation of the Workforce Investment Act serving on

the Governor's Executive Cabinet. Here leaders from different cabinets discuss policies and issues impacting multiple cabinets. This is in addition to the steering committee established under the KWIB that ensures ongoing policy and operational discussions. The outcome of these discussions is shared by each cabinet secretary with departmental commissioners within that cabinet.

At this second level of state government administration, multiple workforce investment-related agencies are grouped in the Education and Workforce Development Cabinet, adding another opportunity for administrative review and interaction. Further, within this cabinet, the commissioner for the Department of Workforce Investment meets with the executive directors of the various offices within the department, specifically OET, the Office for the Blind, the Office of Vocational Rehabilitation, and the Office of Career and Technical Education to discuss workforce investment-related issues and concerns.

Within OET, the executive director meets with the directors of the Division of Workforce and Employment Services and the Division of Unemployment Insurance regarding workforce investment. In addition, KWIB membership as restructured by Gov. Beshear is represented by individuals having knowledge and expertise in the area of workforce investment. The cabinet's appointees and the Governor's representative on the KWIB ensure open and effective sharing of information regarding workforce activities. These appointments provide another opportunity for policy input and communication about WIA-related issues and concerns. The KWIB continues to partner with the Cabinet for Economic Development, Kentucky Adult Education, Council on Postsecondary Education, Kentucky Chamber of Commerce and many other state and local agencies. These partners have played a vital role in the development and implementation of the KWIB's Strategic Plan.

The KWIB also will continue to assist and collaborate with LWIBs through staff attendance at local board and directors meetings, enabling quality and continuous improvement at the local level. The KWIB continues to encourage a systemic approach through a coordinated and interactive process involving the LWIBs, as well as the structure developed to support the implementation of the WorkSmart Kentucky plan. Each strategic action item has a KWIB member champion, an interagency steering committee including LWIB representation and other stakeholder groups, a project leader and an accountability mechanism.

3. Describe the lines of communication and mechanisms established by the Governor to ensure timely and effective sharing of information between the State agencies/State Board and local workforce investment areas and local Boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local Boards and One-Stop Career Centers. (§112(b)(1).)

The Education and Workforce Development Cabinet, Department of Workforce Investment, Office of Employment and Training administers Title I of the Workforce Investment Act; thereby providing information, guidance, and action memoranda.

These memoranda are issued in written and electronic formats. Federal guidance issuances are disseminated in written and electronic formats as well. OET is in the midst of reviewing policy guidance, revising and updating them as necessary.

The KWIB has now instituted LWIB presentations at state board meetings to highlight local innovative practices like the Eastern Kentucky Employer Network. The secretary of the Education and Workforce Development Cabinet and the commissioner of the Department of Workforce Investment have developed a strong working relationship with the Area Development Districts (ADD) Council. One institutional communication mechanism is regular meetings with the Workforce Development Subcommittee of the ADD Council to ensure clear communication about workforce priorities at both the regional and state levels. The KWIB website has also become a viable means of communication as exemplified by the monthly posting of “*WorkSmart Kentucky Strategic Plan*” Implementation Status Report.

KWIB staff, Department of Workforce Investment leadership and Office of Employment and Training (OET) staff regularly attend and present at the LWIB monthly meetings. This facilitates healthy two-way communication from the local to the state level and vice versa. This is an opportunity to share state policies and initiatives and regional strategies and challenges. Finally, the LWIB chair people are invited to attend KWIB executive committee meetings.

All the aforementioned meetings are open to the public. Information is disseminated by electronic format.

4. Describe any cross-cutting organizations or bodies at the State level designed to guide and inform an integrated vision for serving youth in the State within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth? How is the State promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b)(18)(A).)

There are a number of ongoing collaborative and cross-agency efforts to support an integrated vision for serving Kentucky’s youth and they are outlined below.

The Governor’s Re-entry Task Force was established to research best practices in innovative drug treatment, causes of recidivism, and methods to improve education and vocational training while incarcerated. The Governor’s goal is to reduce the recidivism rate by 50 percent over a five-year period.

The TEK Task Force has been exploring the many exciting efforts already underway to improve student achievement. Meetings have focused on improving college readiness, providing every student with the opportunity to earn college credit during high school, assessments that measure what employers value and making high school more relevant, expanding the use of technology for learning, improving teacher

recruitment and retention, boosting academics in career and technical education and improving transitions between preschool and K-12. In February 2011, the group released its recommendations to channel all of these efforts into an integrated and comprehensive system of education in Kentucky.

Graduate Kentucky is focused on improving college and career readiness, providing every student with the opportunity to earn college credit during high school, ramping up academics in career and tech schools, and using technology to improve teaching and learning. First Lady Jane Beshear initiated this effort to raise awareness and consolidate efforts to increase Kentucky's high school graduation rate. Over the past two years, a statewide summit and several regional summits have been organized to gather resources for a statewide action plan to be finalized this year.

Kentucky Core Academic Standards are designed to improve college and career readiness by creating a system of assessments that measure what employers value. Specifically, Senate Bill 1 (2009) requires new statewide academic standards, student assessments and accountability for schools and districts. Kentucky participated with 47 other states and territories to create new, higher and clearer standards for math and English/language arts that will be shared with teachers and parents in 2010-2011 and assessed in the classrooms in 2011-2012. Science and social studies standards are under development, as are program reviews to assess non-tested subjects.

The Unified Strategy for College and Career Ready has been developed to improve college and career readiness and ramp up academics in secondary career and technical schools. The Council on Postsecondary Education and the Kentucky Department of Education developed a joint plan to increase the number of high school graduates who meet college and career readiness standards, and to increase the number of college students who receive a bachelor's degree. Key strategies include advanced learning opportunities for high school students ready for college work, transition courses for high school students not ready for postsecondary classes, college and career readiness advising as well as student support and interventions for at-risk college students.

Partnership for Next Generation Learning is delving into using technology to improve teaching and learning. Kentucky has joined five other states and the Council of Chief State School Officers in a network to find new ways of learning, including world-class knowledge and skills, personalized learning, authentic student voice, performance-based learning, comprehensive systems of supports and anytime/everywhere opportunities. Universities are partnering to create Innovation Labs focused on specific issues such as motivation and learning, digital game-based learning, civic engagement, and global issues.

Early college/dual credit is about providing every student with the opportunity to earn college credit during high school. This year the Office of Career and Technical Education and Kentucky Community and Technical Colleges System conducted Close the Deal sessions educating students and parents about how dual credit can

assist in the completion of an industry certificate or degree in the community college system. In addition, three community colleges in Kentucky have partnered with their local school districts to offer a “middle college” program where students may take their final two years of high school courses on a participating college campus and simultaneously take college courses. In other districts, students spend part of their day on a participating college campus and part of the day in their home high school. Policies and funding are needed to make this opportunity available to all Kentucky students.

The forthcoming recommendations and strategies from these various initiatives and task forces will continue to focus youth service strategies and Statewide Reserve investments on serving youth in the commonwealth.

IV. **Economic and Labor Market Analysis (§112(b)(4).)**

As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this plan, provide a detailed analysis of the State's economy, the labor pool, and the labor market context. Elements of the analysis should include the following:

A. What is the current makeup of the State's economic base by industry?

Kentucky's economy exhibited a net gain of 1,900 jobs in 2010, which equates to a 0.1 percent rate of growth. The employment increase in 2010 marks the first year of job gains since 2007, and the smallest rate of growth on record dating back to 1995. The miniscule 2010 employment increases illustrate the jobless recovery following the economic downturn in 2008 and 2009.

In December 2010, Kentucky's economy had a net gain of 18,500 non-farm jobs compared to December 2009, which equates to a 1.1 rate of expansion. December 2010 marks the eighth month in a row of year-over-year increases in non-farm employment. Moreover, the rate of year-over-year growth has accelerated from 0.4 percent in May 2010 to 1.1 percent in both November 2010 and December 2010, and it represents the highest rate of year-over-year expansion since November 2007. Despite the recent job gains, Kentucky's economy has hemorrhaged 91,700 jobs since the recession commenced in December 2007. While the recession officially ended in June 2009, job growth and economic recovery have been painstakingly slow.

During 2010, Kentucky's unemployment rate stood at 10.5 percent, the ninth highest unemployment rate in the nation. Kentucky's unemployment rate registered 0.9 percent above the US unemployment rate of 9.6 percent for 2010. This marks the eighth consecutive year Kentucky's unemployment rate has exceeded the national rate.

Year	Total Jobs	Net Change from Previous Year
2000	1,987,800	31,400
2001	1,966,100	-21,700
2002	1,949,500	-16,600
2003	1,943,700	-5,800
2004	1,959,300	15,600
2005	1,985,200	25,900
2006	2,016,300	31,100
2007	2,039,400	23,100
2008	2,023,400	-16,000
2009	1,932,800	-90,600
2010	1,934,700	1,900

Source: Office of Employment and Training, Current Employment Statistics (CES) Program, Benchmark 2010

With Kentucky's high unemployment rates, anemic job market, and business closings, Kentucky is facing broad-based economic weakness.

Kentucky Job Loss Statistics

The table below displays individual industry-sector employment changes from 2009 to 2010 in Kentucky. The overall net gain in 2010 was concentrated in service-providing industries. Service-providing industries include trade, transportation and utilities; information; financial activities; professional and business services; educational and health services; leisure and hospitality; other services; and government. These industries had a net gain of 12,000 jobs, while goods-producing industries endured a decline of 11,500 professionals. Goods-producing industries encompass mining and logging, construction and manufacturing. With the state of the housing market, Kentucky continues to experience significant dislocation in construction companies. The construction industry represents the hardest hit sector, with 6,200 employment losses between 2009 and 2010.

Industry	2009	2010	Change
Trade, Transportation, and Utilities	362,900	359,200	-3,700
Government and Public Education	324,500	331,400	6,900
Manufacturing	213,000	209,100	-3,900
Educational and Health Services	246,900	250,000	3,100
Professional and Business Services	171,100	179,700	8,600
Leisure and Hospitality	168,000	167,800	-200
Self-Employed/Unpaid Family	128,400	128,500	100
Financial Activities	88,300	86,000	-2,300
Construction	73,900	67,700	-6,200
Other Services	70,200	70,600	400
Agriculture	34,900	36,400	1,500
Information	27,100	26,100	-1,000
Mining and Logging	23,600	22,200	-1,400
Total	1,932,800	1,934,700	1,900

Sources: Office of Employment and Training, Current Employment Statistics (CES) Program, Benchmark 2010

Office of Employment and Training, Local Area Unemployment Statistics (LAUS) Program, Benchmark 2010

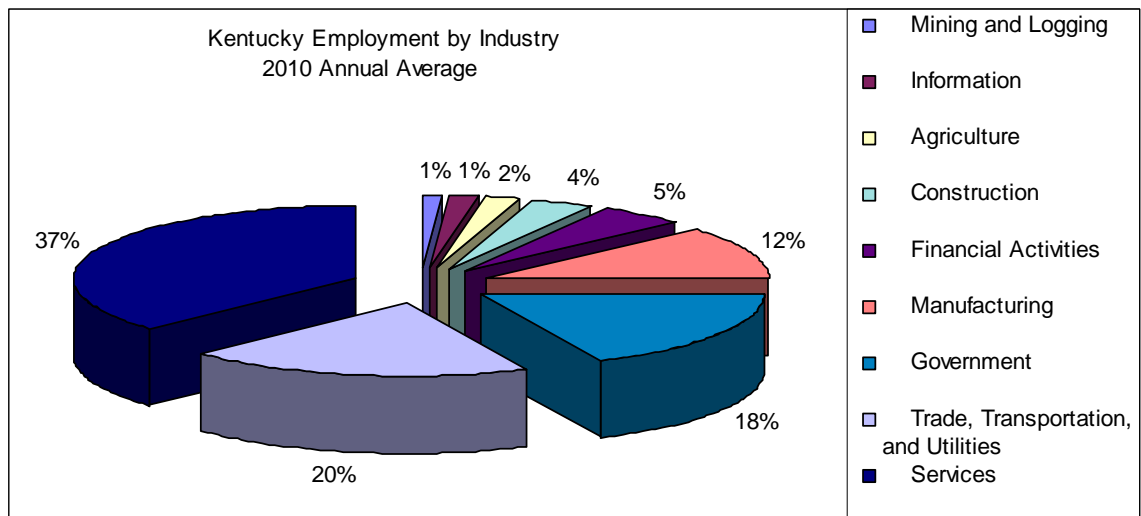
Tightness in Kentucky's job market persists. According to the Conference Board's January 2011 online job demand report, Kentucky has the second highest supply/demand rate at 5.84, indicating there are almost 6 unemployed people for every advertised vacancy. The wide gap between labor supply and labor demand resulted from a combination of lower employer demand and higher unemployment. Individuals are having an extremely difficult time finding a job that matches their skills. As a result, laid-off workers are remaining on the unemployment rolls longer. The increase in the number of people facing long-term unemployment (27 weeks or more) provides additional evidence of the struggles people are encountering in their search for employment. The 12-month average of long-term unemployed Kentuckians increased from 62,600 for January 2009 – December 2009 to 79,300 for January 2010 – December 2010, a rise of 26.6 percent.

While job loss can happen to anyone, young workers are usually the hardest hit because they often have lower skills, less experience and fewer transferable skills than older workers. In addition, typically the last hired is the first to be let go.

On the other hand, during this economic downturn, businesses are laying off workers or closing, which puts many adults back into the job market after many years of working. In addition, deficient retirement funds and declining home values are causing individuals to delay retirement or return to the workforce. However, due to the weak economy, employment opportunities are not readily available.

Kentucky Industry Composition

In 2010, there were 1,769,800 non-farm wage and salary jobs and 36,400 agricultural workers in Kentucky during an average month for a total of 1,806,200. The service-providing industries in Kentucky consisted of 1,470,800 positions, or 83 percent of the total non-farm jobs. The goods-producing industries comprised 299,000, or the remaining 17 percent of total non-farm employment. Over the past 10 years, the Kentucky economy has added 61,200 service-providing professionals, but lost 118,400 goods-producing positions. The following chart depicts the number of jobs in each industry along with the corresponding percentage of total employment.



Sources: Office of Employment and Training, Current Employment Statistics (CES) Program, Benchmark 2010

Office of Employment and Training, Local Area Unemployment Statistics (LAUS) Program, Benchmark 2010

Kentucky Employment by Industry
2010 Annual Average

Sorted by NAICS Supersector Codes	Number of <u>Jobs</u>	<u>Percent of Total</u>
Total Wage and Salary Employment	1,806,200	100.00%
Total Nonfarm	1,769,800	97.98%
Total Private	1,438,400	79.64%
Total Goods-Producing	299,000	16.55%
Mining and Logging	22,200	1.23%
Coal Mining	16,000	0.89%
Construction	67,700	3.75%
Construction of Buildings	14,000	0.78%
Heavy and Civil Engineering Construction	12,400	0.69%
Specialty Trade Contractors	41,400	2.29%
Manufacturing	209,100	11.58%
Durable Goods	125,000	6.92%
Wood Product Manufacturing	9,000	0.50%
Machinery/Appliances/Equip/Parts Manufacturing	24,600	1.36%
Primary Metal Manufacturing	11,000	0.61%
Fabricated Metal Product Manufacturing	17,300	0.96%
Computer and Electronic Product Manu.	6,100	0.34%
Transportation Equipment Manufacturing	41,000	2.27%
Motor Vehicle Manufacturing	11,800	0.65%
Motor Vehicle Parts Manufacturing	23,300	1.29%
Non-Durable Goods	84,100	4.66%
Food Manufacturing	25,600	1.42%
Apparel Manufacturing	2,700	0.15%
Paper Mfg., Printing and Related Support Activities	19,900	1.10%
Petroleum/Plastics/Rubber Manufacturing	15,000	0.83%
Chemical Manufacturing	12,800	0.71%
Total Service-Providing	1,470,800	81.43%
Trade, Transportation, and Utilities	359,200	19.89%
Wholesale Trade	71,800	3.98%
Merchant Wholesalers, Durable Goods	34,400	1.90%
Merchant Wholesalers, Non-Durable Goods	29,600	1.64%

Electronic Markets and Agents and Brokers	7,800	0.43%
Retail Trade	199,400	11.04%
Motor Vehicle and Parts Dealers	22,600	1.25%
Food and Beverage Stores	33,400	1.85%
Health and Personal Care Stores	15,800	0.87%
Gasoline Stations	16,700	0.92%
General Merchandise Stores	50,800	2.81%
Miscellaneous Store Retailers	11,100	0.61%
Transportation, Warehousing, and Utilities	88,100	4.88%
Utilities	6,400	0.35%
Transportation and Warehousing	81,700	4.52%
Truck Transportation	20,500	1.13%
Couriers and Messengers	N/A	N/A
Warehousing and Storage	16,200	0.90%
Information	26,100	1.45%
Telecommunications	10,400	0.58%
Financial Activities	86,000	4.76%
Finance and Insurance	67,800	3.75%
Credit Intermediation and Related Activities	34,900	1.93%
Insurance Carriers and Related Activities	27,000	1.49%
Real Estate and Rental and Leasing	18,200	1.01%
Professional and Business Services	179,700	9.95%
Professional, Scientific, and Technical Services	69,100	3.83%
Management of Companies and Enterprises	19,400	1.07%
Administrative & Support/Waste Mgmt. & Remediation Services	91,200	5.05%
Employment Services	40,400	2.24%
Services to Buildings and Dwellings	19,400	1.07%
Educational and Health Services	250,000	13.84%
Educational Services	30,500	1.69%
Health Care and Social Assistance	219,500	12.15%
Ambulatory Health Care Services	75,400	4.17%
Hospitals	72,200	4.00%
Nursing and Residential Care Facilities	42,800	2.37%
Social Assistance	29,200	1.62%
Leisure and Hospitality	167,800	9.29%
Arts, Entertainment, and Recreation	18,500	1.02%
Accommodation and Food Services	149,300	8.27%
Food Services and Drinking Places	135,600	7.51%
Other Services	70,600	3.91%
Government	331,400	18.35%
Federal Government	42,600	2.36%
National Security	6,900	0.38%

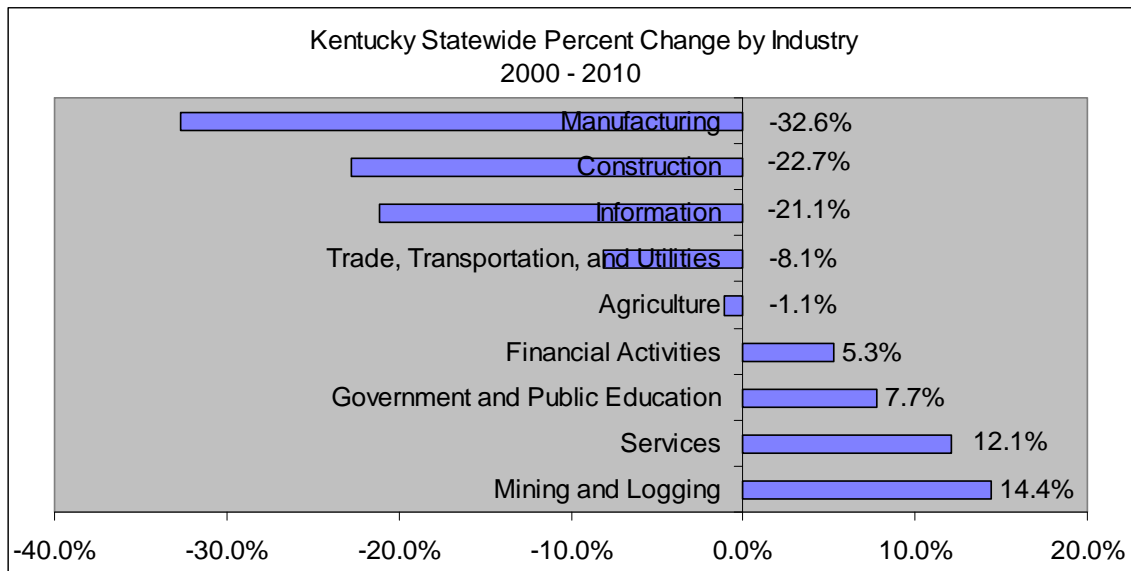
U.S. Postal Service	8,500	0.47%
State and Local Government Total	288,800	15.99%
State Government	102,300	5.66%
State Government Education	57,400	3.18%
Local Government	186,500	10.33%
Local Government Education	114,800	6.36%
Agriculture	36,400	2.02%

Sources: Office of Employment and Training, Current Employment Statistics (CES) Program, Benchmark 2010

Office of Employment and Training, Local Area Unemployment Statistics (LAUS) Program, Benchmark 2010

Kentucky Statewide Percent Change by Industry

From 2000 to 2010, manufacturing suffered the largest percent drop in employment at 32.6 percent. Four other industries endured job losses over the decade, construction; information; trade, transportation, and utilities; and agriculture. The area recording the highest growth rate is the mining and logging industry. The services category, which incorporates the professional and business services, educational and health services, leisure and hospitality, and other services sectors, represents the only other category experiencing double-digit growth in the last 10 years.



Sources: Office of Employment and Training, Current Employment Statistics (CES) Program, Benchmark 2010

Office of Employment and Training, Local Area Unemployment Statistics (LAUS) Program, Benchmark 2010

B. What industries and occupations are projected to grow and or decline in the short term and over the next decade?

As shown in Table 1, 17 of Kentucky's 21 industry sectors are projected to experience job growth between 2008 and 2018. While employment decreased in nearly every industry sector between 2008 and 2009 due to the recent economic recession, an overall growth rate of 7.5 percent is still projected over the 2008-2018 decade.

Table 1 - Kentucky Employment by Industry Sector 2008 and Projected 2018						
Industry Sector	Employment		Percent Distribution		Change 2008-2018	
	2008	2018	2008	2018	Number	Percent
Total Employment, All Jobs	1,995,077	2,143,763	100.00	100.00	148,686	7.5
Self-Employed & Unpaid Family Workers, Primary Job	143,624	151,448	7.20	7.06	7,824	5.4
Agriculture, Forestry, Fishing and Hunting	29,164	27,964	1.46	1.30	-1,200	-4.1
Mining	23,461	24,632	1.18	1.15	1,171	5.0
Utilities	6,588	6,322	0.33	0.29	-266	-4.0
Construction	84,354	95,562	4.23	4.46	11,208	13.3
Manufacturing	245,212	219,748	12.29	10.25	-25,464	-10.4
Wholesale Trade	76,461	78,938	3.83	3.68	2,477	3.2
Retail Trade	210,644	219,228	10.56	10.23	8,584	4.1
Transportation and Warehousing	87,839	94,209	4.40	4.39	6,370	7.3
Information	29,759	29,342	1.49	1.37	-417	-1.4
Finance and Insurance	71,193	74,725	3.57	3.49	3,532	5.0
Real Estate and Rental and Leasing	19,923	21,071	1.00	0.98	1,148	5.8
Professional, Scientific, and Technical Services	68,156	85,349	3.42	3.98	17,193	25.2
Management of Companies and Enterprises	19,580	21,109	0.98	0.98	1,529	7.8
Admin. & Support & Waste Management & Remediation	94,304	108,830	4.73	5.08	14,526	15.4
Educational Services	165,477	185,450	8.29	8.65	19,973	12.1
Health Care and Social Assistance	232,627	281,277	11.66	13.12	48,650	20.9
Arts, Entertainment, and Recreation	19,165	21,780	0.96	1.02	2,615	13.6
Accommodation and Food Services	152,471	164,022	7.64	7.65	11,551	7.6
Other Services (Except Government)	76,866	84,495	3.85	3.94	7,629	9.9
Government	138,209	148,262	6.93	6.92	10,053	7.3

Source: Office of Employment and Training, Kentucky Industry Employment Projections, 2008-2018

Short-term industry projections for 2009-2011 are shown in Table 2. These projections are significantly different from the 2008-2018 long-term projections because of the onset of the recession in 2008 and because long-term projections reflect annual average employment while short-term projections reflect quarterly average employment – in this case 2009, fourth quarter, to 2011, fourth quarter. Employment levels in several industries, such as construction, are subject to seasonality and typically have lower levels of employment during the fourth quarter than on annual average. Fifteen of Kentucky's 21 industry sectors are projected to grow through 2011, fourth quarter, as employment levels rebound toward their pre-recession levels.

Table 2 - Kentucky Employment by Industry Sector 2009 and Projected 2011						
Industry Sector	Employment		Percent Distribution		Change 2009-2011	
	2009	2011	2009	2011	Number	Percent
Total Employment, All Jobs	1,928,731	1,947,179	100.00	100.00	18,448	0.96
Self-Employed & Unpaid Family Workers, Primary Job	144,599	146,170	7.50	7.51	1,571	1.09
Agriculture, Forestry, Fishing and Hunting	29,001	27,931	1.50	1.43	-1,070	-3.69
Mining	21,826	22,047	1.13	1.13	221	1.01
Utilities	6,588	6,490	0.34	0.33	-98	-1.49
Construction	73,404	76,568	3.81	3.93	3,164	4.31
Manufacturing	209,576	209,965	10.87	10.78	389	0.19
Wholesale Trade	71,762	73,294	3.72	3.76	1,532	2.13
Retail Trade	206,316	206,061	10.70	10.58	-255	-0.12
Transportation and Warehousing	82,904	85,177	4.30	4.37	2,273	2.74
Information	26,631	26,610	1.38	1.37	-21	-0.08
Finance and Insurance	67,972	66,980	3.52	3.44	-992	-1.46
Real Estate and Rental and Leasing	18,345	18,637	0.95	0.96	292	1.59
Professional, Scientific, and Technical Services	68,780	70,943	3.57	3.64	2,163	3.14
Management of Companies and Enterprises	19,467	19,870	1.01	1.02	403	2.07
Admin. & Support & Waste Management & Remediation	89,957	91,408	4.66	4.69	1,451	1.61
Educational Services	176,613	177,600	9.16	9.12	987	0.56
Health Care and Social Assistance	240,737	245,773	12.48	12.62	5,036	2.09
Arts, Entertainment, and Recreation	17,717	17,964	0.92	0.92	247	1.39
Accommodation and Food Services	147,282	149,027	7.64	7.65	1,745	1.18
Other Services (Except Government)	68,407	68,577	3.55	3.52	170	0.25
Government	140,847	140,087	7.30	7.19	-760	-0.54

Source: Office of Employment and Training, Kentucky Industry Employment Projections, 2009-2011

Table 3 illustrates projected changes to the occupational makeup of Kentucky's labor force between 2008 and 2018. Most of the major occupational groups that are projected to experience an increase in employment are classified as professional or service-related occupations.

Table 3 - Kentucky Employment by Major Occupational Group 2008 and Projected 2018							
SOC Code	Title	Employment		Percent Distribution		Change 2008-2018	
		2008	2018	2008	2018	Number	Percent
00-0000	Total, All Occupations	1,995,077	2,143,763	100.0	100.0	148,686	7.45
11-0000	Management Occupations	110,416	114,342	5.53	5.33	3,926	3.56
13-0000	Business and Financial Operations Occupations	63,815	72,670	3.20	3.39	8,855	13.88
15-0000	Computer and Mathematical Occupations	31,870	38,313	1.60	1.79	6,443	20.22
17-0000	Architecture and Engineering Occupations	24,357	25,384	1.22	1.18	1,027	4.22
19-0000	Life, Physical, and Social Science Occupations	12,024	13,646	0.60	0.64	1,622	13.49
21-0000	Community and Social Services Occupations	25,360	28,909	1.27	1.35	3,549	13.99
23-0000	Legal Occupations	12,275	13,548	0.62	0.63	1,273	10.37
25-0000	Education, Training, and Library Occupations	104,781	120,139	5.25	5.60	15,358	14.66
27-0000	Arts, Design, Entertainment, Sports & Media Occs.	28,832	31,062	1.45	1.45	2,230	7.73
29-0000	Healthcare Practitioners and Technical Occs.	115,523	139,906	5.79	6.53	24,383	21.11
31-0000	Healthcare Support Occupations	52,131	65,127	2.61	3.04	12,996	24.93
33-0000	Protective Service Occupations	39,432	44,223	1.98	2.06	4,791	12.15
35-0000	Food Preparation and Serving Related Occs.	162,064	175,944	8.12	8.21	13,880	8.56
37-0000	Building & Grounds Cleaning & Maintenance Occs.	64,001	68,421	3.21	3.19	4,420	6.91
39-0000	Personal Care and Service Occupations	56,852	66,341	2.85	3.09	9,489	16.69
41-0000	Sales and Related Occupations	215,004	225,762	10.78	10.53	10,758	5.00
43-0000	Office and Administrative Support Occupations	307,417	323,467	15.41	15.09	16,050	5.22
45-0000	Farming, Fishing, and Forestry Occupations	21,424	20,303	1.07	0.95	-1,121	-5.23
47-0000	Construction and Extraction Occupations	101,373	110,565	5.08	5.16	9,192	9.07
49-0000	Installation, Maintenance, and Repair Occupations	90,968	96,753	4.56	4.51	5,785	6.36
51-0000	Production Occupations	196,356	186,178	9.84	8.68	10,178	-5.18
53-0000	Transportation and Material Moving Occupations	158,802	162,760	7.96	7.59	3,958	2.49

Source: Office of Employment and Training, Kentucky Occupational Employment Projections, 2008-

2018

Industries/Occupations with Projected Decline in Employment

Kentucky's manufacturing sector is projected to lose approximately 25,000 jobs from 2008 to 2018, a decrease of more than 10 percent. While several of Kentucky's manufacturing industries have grown since 1990, total employment in the industry has rapidly declined. Employment in apparel manufacturing, for example, has plummeted by more than 91 percent during this time period, from 32,300 jobs in 1990 to only 2,800 in 2009. Losses in the apparel manufacturing industry have also been seen across the U.S. as companies continue to outsource these jobs to other countries. This trend is expected to continue in both the short term and over the next decade. Some occupations in this industry that will be adversely affected include:

- sewing machine operators,
- inspectors, testers, sorters, samplers and weighers,
- helpers – production workers, and
- textile cutting machine setters, operators and tenders.

Several other manufacturing industries have sustained large employment losses since 1990; primary metal manufacturing, computer and electronic product manufacturing, wood product manufacturing and chemical manufacturing have each declined by at least 1,000 employees during this time period. Each of these four industries is projected to experience further job losses over the next decade. As a result of the forecasted decline in manufacturing employment, production occupations are expected to experience the largest number of job losses. Some specific occupations that should see significant declines in employment include:

- cut, punch, and press machine setters, operators and tenders,
- team assemblers,
- managers of production and operating workers,
- assemblers and fabricators, all other,
- machine feeders and offbearers, and
- molding, coremaking and casting machine setters, operators and tenders.

Employment in agriculture, forestry, fishing and hunting in Kentucky has been steadily declining for a number of years. While the overall size of the average farm has grown, the number of actual farms has been in decline. This trend is expected to continue in the short term and over the next decade resulting in job loss in the animal and crop production and logging industries. Specific occupations that will see the most job losses within this category include:

- farm workers and laborers, crop and nursery,
- agricultural equipment operators, and

- logging equipment operators.

Industries/Occupations with Projected Growth in Employment

Short-term and long-term growth is expected to be much more significant in service-providing industries than in goods-producing industries. Short-term growth is expected in service-providing industries as employment levels return to their pre-recession levels, but long-term projections have an even more favorable outlook. Many industries are expected to experience significant employment growth as the economy rebounds and the market begins to improve. The industries and the occupations that are projected to have the most favorable outlook due to a high number of annual openings include:

Health Services

- registered nurses
- pharmacists
- nursing aides, orderlies and attendants
- occupational, physical and respiratory therapists
- medical and dental assistants
- home health aides

Educational Services

- elementary, secondary and postsecondary teachers
- teachers and instructors, all other
- teacher assistants

Food Services and Drinking Places

- cooks, restaurant
- cooks, fast food
- waiters and waitresses
- combined food preparation and serving workers
- managers of food preparation and serving workers

Professional, Scientific and Technical Services

- lawyers
- paralegals and legal assistants
- accountants and auditors
- architects

- civil engineers
- computer software engineers
- database administrators
- network systems and data communications analysts

Transportation and Warehousing

- truck drivers, heavy and tractor-trailer
- truck drivers, light or delivery services

Administrative and Support Services

- managers of office and administrative support workers
- employment, recruitment, and replacement specialists
- office clerks, general

Social Assistance

- social and community service managers
- child, family, and school social workers
- social and human service assistants
- personal and home care aides

Construction and Specialty Trade Contractors

- managers of construction trades and extraction workers
- carpenters
- construction laborers
- cement masons and concrete finishers
- operating engineers and other construction equipment operators
- electricians
- plumbers, pipefitters, and steamfitters
- construction and building inspectors
- highway maintenance workers

- C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? Estimate projected demand.

Educational attainment is used as a proxy for skill levels. The Bureau of Labor Statistics classifies occupations into 11 different categories:

Postsecondary awards

- first professional degree,
- doctoral degree,
- master's degree,
- bachelor's degree or higher, plus work experience,
- bachelor's degree,
- associate's degree, and
- postsecondary vocational awards.

Work-related training

- work experience in a related occupation,
- long-term on-the-job training,
- moderate-term on-the-job training, and
- short-term on-the-job training.

The following table indicates the number of jobs in each of the education and training categories in 2008 and their projected employment levels in 2018. Although the majority of jobs fall in the moderate-term and short-term on-the-job training categories, the highest growth rates are projected to be in occupations requiring at least a postsecondary award. These occupations are classified as “skilled.”

TABLE 4: Employment and Average Annual Job Openings, 2008-2018, by Education/Training Categories

Education/Training		Employment				Change		Job Openings	
		Number		Distribution		2008-2018		2008-2018	
Category	Code	2008	2018	2008	2018	Number	Percent	Number	Percent Distribution
Total, All Occupations		1,995,077	2,143,763	100.0%	100.0%	148,686	7.5%	63,494	100.0%
First Professional Degree	1	22,328	25,844	1.1%	1.2%	3,516	15.7%	792	1.2%
Doctoral Degree	2	20,681	23,871	1.0%	1.1%	3,190	15.4%	705	1.1%
Master's Degree	3	20,543	24,510	1.0%	1.1%	3,967	19.3%	856	1.3%
Work Experience Plus Bachelor's or Higher Degree	4	78,237	80,595	3.9%	3.8%	2,358	3.0%	2,277	3.6%
Bachelor's Degree	5	199,334	227,051	10.0%	10.6%	27,717	13.9%	7,230	11.4%
Associate's Degree	6	87,701	104,635	4.4%	4.9%	16,934	19.3%	3,378	5.3%
Postsecondary Vocational Training	7	119,499	133,511	6.0%	6.2%	14,012	11.7%	3,839	6.0%
Work Experience in a Related Occupation	8	214,042	225,846	10.7%	10.5%	11,804	5.5%	5,693	9.0%
Long-Term On-The-Job Training	9	128,288	137,066	6.4%	6.4%	8,778	6.8%	3,698	5.8%
Moderate-Term On-The-Job Training	10	389,013	403,549	19.5%	18.8%	14,536	3.7%	10,219	16.1%
Short-Term On-The-Job Training	11	715,411	757,285	35.9%	35.3%	41,874	5.9%	24,807	39.1%

Source: Office of Employment and Training, Kentucky Occupational Projections, 2008-2018

The primary occupations in the growth industries identified in section IV B have a mixture of skills and/or educational requirements.

- **Educational Services:** Growth is expected among both skilled positions and those that require less education.
- **Health Services:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.
- **Food Services:** Almost all the jobs in this industry require only short-term or moderate-term on-the-job training.
- **Retail Trade:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Transportation and Warehousing:** Almost all the jobs in this industry need short-term or moderate-term on-the-job training.
- **Wholesale Trade:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Professional and Technical Services:** Almost all the jobs in this industry require postsecondary education.
- **Administrative and Support Services:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Information:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.
- **Social Assistance:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.

- **Transportation Equipment Manufacturing:** Some of the growth jobs in this industry need postsecondary vocational training, while some require moderate-term to long-term on-the-job training.
- **Specialty Trade Contractors:** Most of the growth jobs in this industry need long-term or moderate-term on-the-job training and/or special certifications.

As the economy in Kentucky relies less on agriculture and simple manufacturing and the demand for services and complex manufacturing increases, the occupational needs of the state will change. Although the highest number of employees in the state will only need short-term-term or moderate-term-term on-the-job training to perform their jobs, these are also the lowest paying positions. However, the projected growth rate for jobs requiring more education is higher than the average projected growth in employment for all occupations. These positions earn a great deal more than the average worker in the state.

TABLE 5: 2009 Average Annual Kentucky Wage Estimates by Training Category			
Training Category	Training Code	Total Employment	Avg. Annual Wage
Postgraduate	1,2,3	63,552	\$85,360
Bachelor's Degree & Bachelor's Degree with Work Experience	4,5	277,571	\$62,732
Associate's Degree or Postsecondary Vocational Training	6,7	207,200	\$40,511
Work Experience in a Related Occupation or Long-Term OJT	8,9	342,330	\$43,622
Moderate-Term OJT	10	389,013	\$31,179
Short-Term OJT	11	715,411	\$23,335

Source: Office of Employment and Training, Occupational Employment Statistics (OES) Program

D. What jobs/occupations are most critical to the State's economy?

Two methods were used to determine which jobs were most critical to the state's economy. First, NAICS three-digit industry sectors that had the most annual average private ownership employment between 2009, third quarter, and 2010, second quarter, were identified. These industries are particularly important to Kentucky's economy because they make up a significant portion of the state's overall workforce. Additionally, 12 of these 15 sectors are projected to gain employment between 2008 and 2018. Second, the three-digit NAICS sectors with the highest annual average wage between 2009, third quarter, and 2010, second quarter, were identified. In order to narrow the list to industries having the most profound impact on the economy, only those three-digit industries that employed at least 1,000 people were included.

Sectors with the most employment

1. food services and drinking places (NAICS 722)
2. administrative and support services (NAICS 561)
3. ambulatory health care services (NAICS 621)
4. hospitals (NAICS 622)
5. professional and technical services (NAICS 541)
6. general merchandise stores (NAICS 452)
7. nursing and residential care facilities (NAICS 623)
8. specialty trade contractors (NAICS 238)
9. transportation equipment manufacturing (NAICS 336)
10. credit intermediation and related activities (NAICS 522)
11. durable goods wholesale trade (NAICS 423)
12. food and beverage stores (NAICS 445)
13. nondurable goods wholesale trade (NAICS 424)
14. social assistance (NAICS 624)
15. insurance carriers and related activities (NAICS 524)

Source: Office of Employment and Training, Quarterly Census of Employment and Wages (QCEW) Program

Sectors with the highest annual wage (based on a minimum of 1,000 jobs)

1. securities, commodity contracts, investments (NAICS 523)
2. petroleum and coal products manufacturing (NAICS 324)
3. management of companies and enterprises (NAICS 551)
4. electronic markets and agents and brokers (NAICS 425)
5. computer and electronic product manufacturing (NAICS 334)
6. utilities (NAICS 221)
7. mining (NAICS 212)
8. water transportation (NAICS 483)
9. electrical equipment and appliance manufacturing (NAICS 335)
10. chemical manufacturing (NAICS 325)
11. insurance carriers and related activities (NAICS 524)
12. beverage and tobacco product manufacturing (NAICS 312)
13. couriers and messengers (NAICS 492)
14. primary metal products manufacturing (NAICS 331)
15. paper manufacturing (NAICS 322)

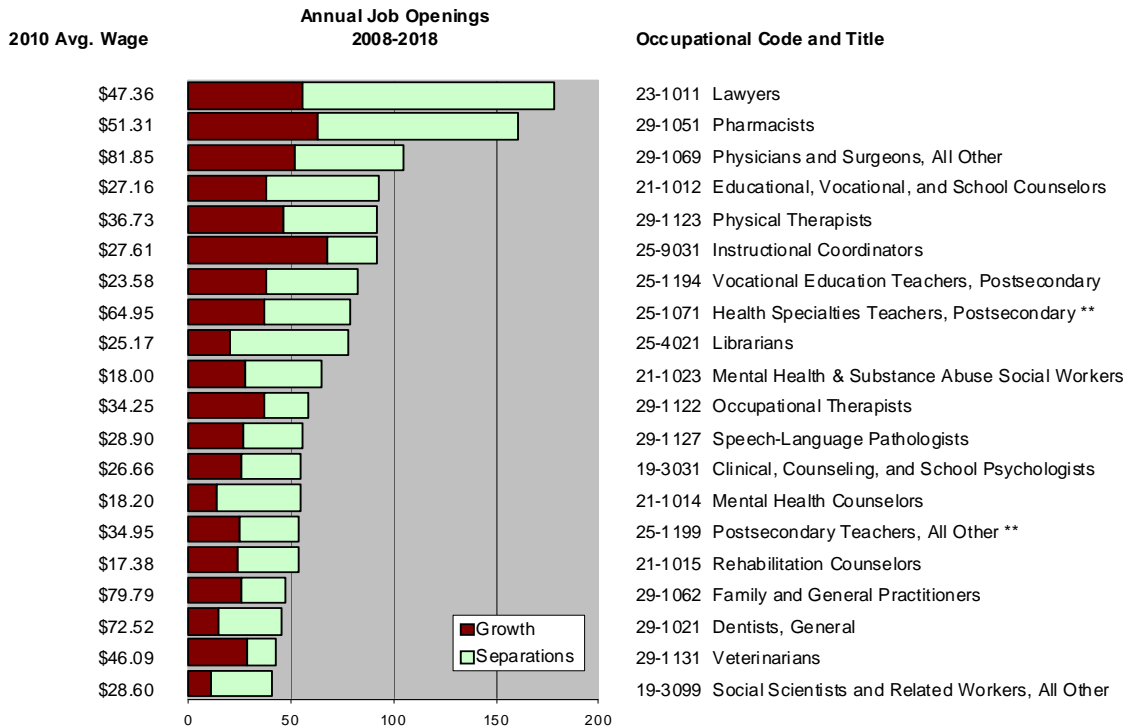
Source: Office of Employment and Training, Quarterly Census of Employment and Wages (QCEW) Program

While the occupational makeup of the employment in these industries varies, a large percentage of jobs in these industries will require a highly trained and highly educated workforce.

E. What are the skill needs for the available, critical and projected jobs?

Total employment in Kentucky is projected to increase by nearly 150,000 between 2008 and 2018. This increase in total employment, combined with workers leaving occupations due to retirement, changing careers, or leaving the labor force for other reasons, means that the Kentucky economy is expected to generate approximately 64,000 job openings annually. While many of these jobs will require only short-term or moderate-term on-the-job training, most occupations offering high wages and high growth potential will require some type of postsecondary training. The charts below show some of the most critically needed occupations, based on a combination of projected annual openings through 2018 and higher than average wages.

Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring a Graduate or Professional Degree*

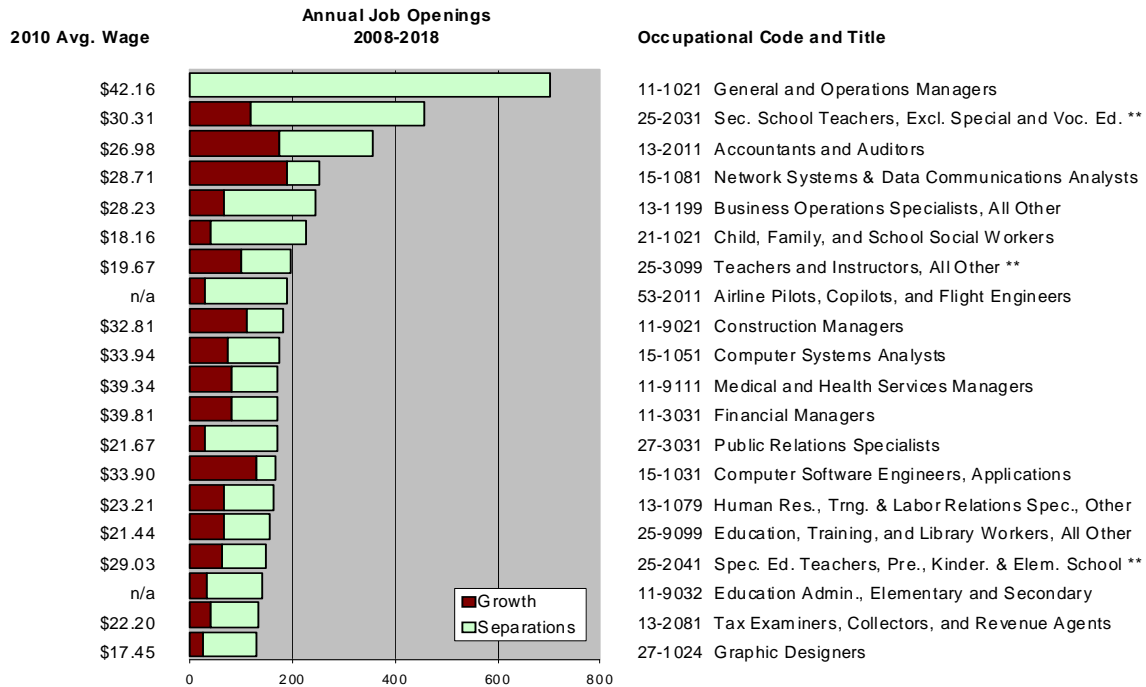


*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs a professional degree, master's degree, or doctoral degree to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

**Average hourly wages for teacher occupations were calculated by assuming 9.5 working months per year at 40 hours per week.

Source: Office of Employment and Training, Kentucky Occupational Outlook to 2018

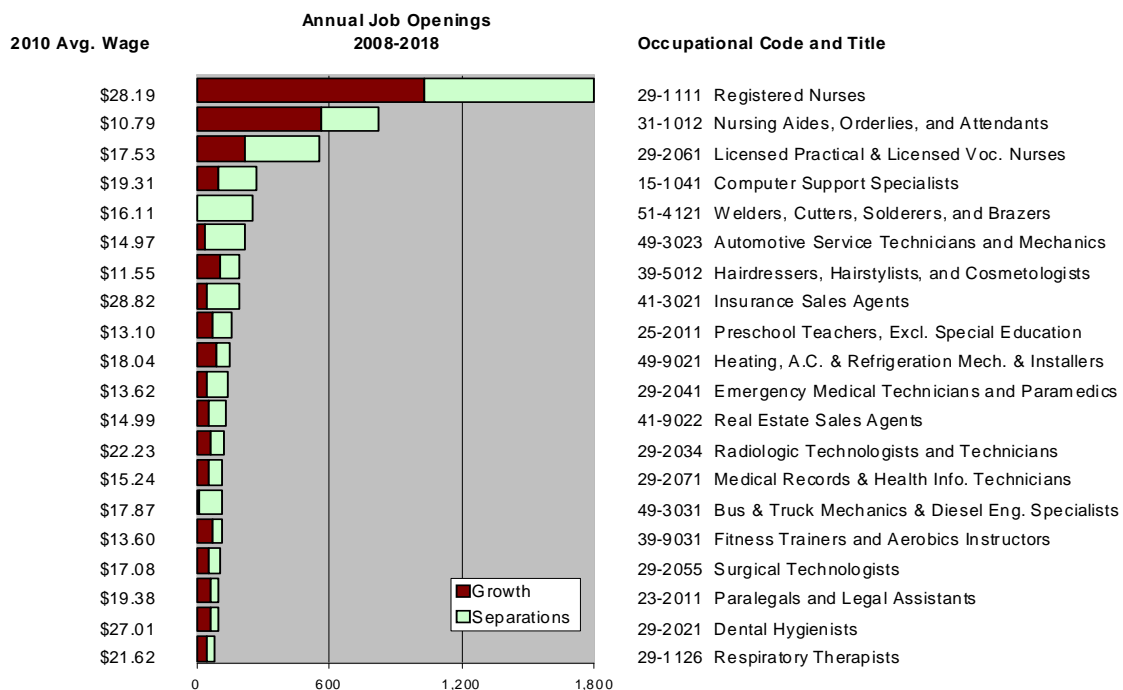
Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring a Bachelor's Degree or Bachelor's Degree and Work Experience*



*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs a bachelor's degree or bachelor's degree and work experience to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

**Average hourly wages for teacher occupations were calculated by assuming 9.5 working months per year at 40 hours per week.

Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring an Associate's Degree or Postsecondary Vocational Training*



*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs an associate's degree or postsecondary vocational training to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

F. What is the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

All current demographics are courtesy of the 2005-2009 American Community Survey, which is conducted by the United States Census Bureau. Projected demographics are from the Kentucky State Data Center (KSDC) and forecast out to

Current and Projected Demographics by Age Group						
Age	Current - 2009		Projected - 2020		Change, 2009-2020	
	Number	Percent of Total	Number	Percent of Total	Number	Percent
Under 15 Years	835,847	19.7%	921,428	19.7%	85,581	10.2%
15-19 Years	291,759	6.9%	310,475	6.6%	18,716	6.4%
20-24 Years	298,776	7.0%	300,196	6.4%	1,420	0.5%
25-34 Years	565,564	13.3%	601,663	12.9%	36,099	6.4%
35-44 Years	600,914	14.1%	608,364	13.0%	7,450	1.2%
45-54 Years	625,607	14.7%	600,308	12.9%	-25,299	-4.0%
55-64 Years	485,532	11.4%	610,283	13.1%	124,751	25.7%
65-74 Years	296,361	7.0%	442,264	9.5%	145,903	49.2%
75-84 Years	184,246	4.3%	205,982	4.4%	21,736	11.8%
85+ Years	67,394	1.6%	68,838	1.5%	1,444	2.1%
Total, 15+ Years	4,252,000	100.0%	4,669,801	100.0%	417,801	9.8%
Male	2,084,042	49.0%	2,278,380	48.8%	194,338	9.3%
Female	2,167,958	51.0%	2,391,421	51.2%	223,463	10.3%
White	3,837,454	90.3%	No official projections have been made by the KSDC concerning race/minority status.			
Minority	414,546	9.7%				

the year 2020.

Sources: United States Census Bureau, American Community Survey (ACS) 2005-2009;
Kentucky State Data Center (KSDC) Population Projections

Over the next decade, Kentucky's population will age substantially. In 2009, those age 55 and over made up 24.3 percent of the overall population. That number is projected to increase to 28.5 percent by 2020. Conversely, those ages 20-54 will see a decrease in their share of the population from 49.1 percent in 2009 to 45.2 percent in 2020. Kentucky's population is also shifting toward having more females than males. In 2009, females made up 51 percent of the total population, but that number is expected to increase to 51.2 percent by 2020. There have been no official projections made concerning race/minority status.

The following data summarizes educational attainment levels for Kentucky's population over the age of 25 in 2009:

- less than ninth grade: 240,094 (8.5 percent),
- ninth -12th grade, no diploma: 316,579 (11.2 percent),
- high school, including equivalency: 975,856 (34.5 percent),

- some college, no degree: 543,547 (19.2 percent),
- associate's degree: 183,657 (6.5 percent),
- bachelor's degree: 336,690 (11.9 percent),
- graduate/professional degree: 229,195 (8.1 percent),
- high school and above: 81.7 percent (Kentucky ranked number 47 of 50 states),
- bachelor's degree and above: 21 percent (Kentucky ranked number 47 of 50 states), and
- graduate/professional degree: 8.5 percent (Kentucky ranked number 32 of 50 states).

When broken down by ages 18 to 24 with a high school degree Kentucky's rank is 30 at 83.3 and for those ages 25 to 34 rank is 32 at 87.9% and well above our rank for those age 25+ of 47 at 81.7% compared to other states.

When broken down by ages 18 to 24 with a bachelor's degree Kentucky's rank is 35 at 7.4 and for those ages 25 to 34 rank is 36 at 25.6% and well above our rank for those age 25+ of 47 at 21.0% compared to other states.

When broken down by ages 18 to 24 with a graduate or professional degree Kentucky's rank is 18 at 0.5% and for those ages 25 to 34 rank is 24 at 7.8% and above our rank for those age 25+ of 32 at 8.5% compared to other states.

While there have not been any official projections concerning educational attainment, Kentucky has made significant progress over the last decade. Although the state still ranks 48th in percentage of the population 25+ with at least a high school diploma, this number has skyrocketed from 74.1 percent in 2000 to 80.3 percent in 2009, which is the second largest increase among all states. Kentucky made the ninth largest jump in the nation in the percentage of those with an associate's degree, from 4.9 percent in 2000 to 6.5 percent in 2009. The percentage of those with at least a bachelor's degree has also increased dramatically, from 17.1 percent in 2000 to 20 percent in 2009.

G. Is the State experiencing any “in migration” or “out migration” of workers that impact the labor pool?

During the 2000-2009 decade, Kentucky’s population was augmented by a net “in migration” of nearly 127,000 people. Nearly two-thirds of this migration was domestic migration, meaning that it came from other states. The other one-third can be attributed to international migration, or that which came directly from another country. When this net “in migration” is combined with Kentucky’s natural population increase of slightly more than 148,000, the state’s resident population grew by over 270,000 people since 2000, with approximately 46 percent of that growth due to net migration. Of the seven states surrounding Kentucky, only Tennessee and Virginia had higher levels of net “in migration.” These trends are likely to continue as the south had higher net migration levels than any other region of the country between 2000 and 2009.

Resident Population Change, 2000-2009							
Area	Total Population Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
United States	25,581,948	15,875,579	38,358,804	22,483,225	8,944,170	8,944,170	-
Northeast	1,688,851	1,877,814	6,269,501	4,391,687	-704,140	1,835,442	-2,539,582
Midwest	2,441,721	2,969,319	8,268,833	5,299,514	-593,753	1,158,438	-1,752,191
South	13,082,047	5,837,372	14,308,185	8,470,813	6,992,907	3,118,775	3,874,132
West	8,369,329	5,191,074	9,512,285	4,321,211	3,249,156	2,831,515	417,641
Illinois	490,751	721,212	1,681,839	960,627	-228,888	403,978	-632,866
Indiana	342,593	298,077	810,225	512,148	71,633	93,367	-21,734
Kentucky	271,825	148,117	519,005	370,888	126,831	44,314	82,517
Missouri	390,896	218,926	726,153	507,227	105,461	63,420	42,041
Ohio	189,495	389,121	1,389,016	999,895	-247,751	120,452	-368,203
Tennessee	606,978	229,035	754,589	525,554	356,078	91,508	264,570
Virginia	803,542	425,738	957,904	532,166	375,639	204,219	171,420
West Virginia	11,433	-382	192,926	193,308	21,653	5,635	16,018

Sources: United States Census Bureau, 2000 Decennial Census; United States Census Bureau, American Community Survey (ACS) 2005-2009

H. Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the State experiencing today and what skill gaps are projected over the next decade?

WORKSmart Kentucky: A Strategic Transformation of Kentucky’s Workforce System was published in May, 2010. Four goals were established by KWIB and Governor Beshear to support the strategic vision for Kentucky’s workforce system. The first two goals address the skill gaps issue.

Goal 1 – Align the Commonwealth’s workforce development system with Kentucky’s education objectives.

This goal calls for increased communication between workforce boards and boards of education, technical education, postsecondary education and economic development. Kentucky will strive to increase the number of both postsecondary and work-ready high school graduates. To address the skills gap Kentucky will increase awareness of educational and skills requirements for high-demand jobs paying livable wages including those jobs in emerging industries. Areas like health care and advanced manufacturing are creating jobs requiring additional education and paying livable wages. Although manufacturing jobs had been declining in the current recession we are starting to see some employment recovery but these new jobs require a higher skill set.

The Kentucky Community and Technical College System, KCTCS, and the Cabinet are working in partnership to provide occupational projections, required educational level and earnings data they are using the data to develop their education and training programs for those jobs with high demand/growth and higher earnings and moving away from education offerings in low demand/growth and/or low wages. Also KCTCS and the Cabinet are sharing data that allows KCTCS to track students across time to see employment and wage gains over time based on taking advantage of additional education and training.

Goal 2 – Align the commonwealth’s workforce development system with economic development strategies.

Just as in Goal 1 the Cabinet will enhance its partnerships with economic development agencies across Kentucky, an effort Kentucky Workforce Investment Boards can play a critical role in meeting.

I. Based on an analysis of the economy and the labor market, what workforce development issues has the State identified?

As referenced in item H above Kentucky will identify many variables at play in our workforce development. These include: (1) determining the direction of the economy, (2) knowing where the jobs are and will be in the future, (3) understanding the impacts of globalization, (4) grasping the changing demographics of our workforce with an aging workforce while our younger workforce growth is mainly minority and also more urban, and (5) insure we address worker shortages and skills gaps. Across the Cabinet these efforts are being made in our various departments.

With these variables in mind, workforce development issues identified as critical to Kentucky include the ability:

- to leverage resources for increased efficiency and effectiveness,
- to increase the flexibility, innovation and responsiveness of partners to better meet

- demand and supply customers needs,
 - to ensure that all system stakeholders (professional and volunteers) have the skill sets necessary for system success,
 - to strengthen communications and working relationships between local WIBs and the KWIB,
 - to develop and promote a demand driven system approach to workforce and economic development, to facilitate and promote the delivery of responsive, demand driven programs and curricula by educational institutions and other service providers, to ensure that all workers (current, future and potential) have the skills necessary to meet the changing needs of business...fill gaps, identify supply and demand needs on an ongoing basis, to enhance and promote Kentucky's workforce information system, and to gather up-to-date information through enhanced environmental scanning.
- J. What workforce development issues has the State prioritized as being most critical to its economic health and growth?

The state has prioritized the following as being critical to its economic health and growth:

- recruitment and attraction of new business,
- retention of existing business, and
- a commitment to educational and professional development.

We want to continue to recruit and attract new businesses to help grow our existing economy. This requires investments to bring businesses to Kentucky. These are major efforts through the Governor's office and the Cabinet for Economic Development but the educational and workforce development efforts of the Cabinet and the Workforce Investment Boards allow them to make the case for businesses to locate here.

It is also important to understand that the retention and expansion of existing businesses may be of even greater importance in growing our existing economy. Businesses already here need our supportive efforts to insure they have the workforce they need and a climate to succeed in a changing economy. This requires a partnership between government and business to best meet the needs of our citizens regarding their education, training and employment and the benefits those investments bring to our economy by supplying the workforce we need for today and tomorrow.

To address issues and how the workforce system can play a vital role in changing Kentucky's economic outlook, the KWIB defined four strategic goals:

- align the commonwealth's workforce development system with Kentucky's education objectives,
- align the commonwealth's workforce development system with economic development strategies,
- simplify the workforce development service delivery system, and
- improve service to achieve a customer-centered delivery system.

Realizing growth will be harder to come by and trends will be more volatile, the KWIB developed an aggressive 25-action item strategic plan. At the forefront of the initiatives is the sector strategies initiative. Strategies include addressing the needs of employers by focusing intensively on the workforce needs of a specific industry sector over a sustained period; addressing the needs of workers by creating formal career maps and pathways to good jobs and bolstering regional economic competitiveness by engaging economic development experts in workforce issues and aligning education, economic, and workforce development planning.

V. Overarching State Strategies

- A. Identify how the State will use WIA Title I funds to leverage other Federal, State, local, and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the Statewide workforce investment system? (§112(b)(10).)

The Commonwealth has been aggressively moving forward in its efforts to leverage WIA Title 1 funds to other federal, state, local and private resources. In doing so the emphasis has been on improving efficiency and effectiveness at every level of the workforce development system. The clearest indication of that commitment is the “WorkSmart Kentucky Strategic Plan.” There are action steps targeted at the state, LWIB, community and operational levels.

For example, the Branding and Identity action step is using individual and business customer input to re-tool service delivery statewide to meet customers’ expectations. WIA funds are also being used for the High Performing Workforce Investment Boards action step. It focuses on a sector-based approach and relies on the strategic engagement of businesses while reinforcing the integration of local, state and federal resources at LWIB and regional levels to meet employer needs. In addition, the One-Stop Certification action step will move the service delivery system from one of co-location to collaborative customer service with an emphasis on business services and collaboration at the operational level.

As part of the Sector Strategies action step, there will be sector strategy institutes which will support consensus decision-making among education, workforce, economic development, business and community leaders, and give regional leaders the tools to strategically leverage multiple investments. An Industry Partnership request for proposal is also under development and will provide seed money to form partnerships in critical state and regional sectors that are employer led and consortium based.

Another leveraging opportunity is the Work Ready Communities action step. This initiative is currently identifying 10 critical criteria that counties and/or regions can achieve through education, economic and workforce development collaborations to provide a skilled workforce that the employer community needs.

Finally, the Commonwealth’s Statewide Reserve investment strategy fund is focused on leveraging resources with our K-12, adult education, community college and economic development partners. Examples of such leveraging include sector strategies, one-stop certification, Skill Up and Breaking Through to name a few.

- B. What strategies are in place to address the national strategic direction discussed in Part I of this guidance, the Governor’s priorities, and the workforce development issues identified through the analysis of the State’s economy and labor market? (§§112(b)(4)(D) and 112(a).)

The commonwealth is committed to ensuring that every Kentuckian has the opportunity to gain the requisite knowledge, skills and abilities to participate in the workforce at a level that pays a family sustaining wage and career lattices in high-growth sectors. This requires the state to not only focus on the incoming workforce, but the incumbent, underemployed and unemployed workforce like never before. It also demands a new level of collaboration among the education, workforce development and economic development professionals in Kentucky. To accomplish that goal, Kentucky is participating in a number of national initiatives.

The Skill Up initiative, identified in the “WorkSmart Kentucky Strategic Plan” as the I-Best action step, provides an expedited format for low-skilled adults to gain a General Equivalency Diploma (GED), an industry certification and a National Career Readiness Certificate, and a Microsoft certification. This collaboration among KYAE, KCTCS and the Kentucky Department of Workforce Investment is a pilot project, which began this semester in several locations across the commonwealth. The collaborative is planning to evaluate and scale up this effort through the ABE to Credentials project.

Kentucky is participating in ETA’s Career Pathways Technical Assistance initiative. Once again, the Career Pathways collaborative is around critical regional sectors partnering with KYAE, KCTCS and the OET. There are two local workforce investment areas working with their local partners to develop career pathways for low-skilled adults. This work will serve to inform the statewide roll-out of the Sector Strategies action step and, like Skill Up, be evaluated and scaled up through the ABE to Credentials project.

The transition initiative being funded with WIA Performance Incentive funding from ETA will focus on strengthening the connection for both the adult education and career and technical education students to postsecondary education opportunities via the One-Stop Career Center system. One component that was recently launched is the Career Counseling Pilot project that incorporates guidance services in the adult education service delivery model. In addition, the NCRC will be given to every senior in each of the 54 area technology centers across the commonwealth. The results of which will then be used to assist young persons in developing an education and employment plan.

Another action step outlined in the “WorkSmart Kentucky Strategic Plan” is the Economic Development Academy. This action step will bridge the knowledge gap between education, workforce development and economic development at all levels of the system. In order to partner on common goals, one needs to understand each other’s structure, priorities, goals and process. The academy is intended to create that common understanding, so that partnership efforts can be strengthened at the local, regional and state levels. A steering committee has been formed and this initiative will be formally launched this year.

As the Sector Strategies initiative continues to roll-out through the identification of state and local growth sectors, the Eligible Training Provider action step will move into high gear. The focus of this effort is to evaluate the current process and fine tune it as well as upgrade the technology associated with the process to make it more user friendly. The revised process will result in a re-evaluation of each of the providers on the list to determine if they support the identified state and regional growth sectors.

The Rapid Response Redesign action step was just kicked off in February. The steering committee is in the process of selecting a vendor to provide an outside assessment of the commonwealth's current policies and structure. Once the assessment is complete, the steering committee will begin to redesign the structure to ensure that the system is proactively focusing on the full business lifecycle. A statewide training institute will be conducted to educate and retrain those currently in the system as well as new partners. Then resources will be made available to each local workforce investment area to support specific operational adjustments and training needs to align with the new direction. This initiative has been informed by and grounded in ETA's Rapid Response: Solutions for Economic Transition work.

- C. Based on the State's economic and labor market analysis, what strategies has the State implemented or plans to implement to identify and target industries and occupations within the State that are high growth, high demand, and vital to the State's economy? (§§112(a) and 112(b)(4)(A).)

The State may want to consider:

1. Industries projected to add a substantial number of new jobs to the economy; or
2. Industries that have a significant impact on the overall economy; or
3. Industries that impact the growth of other industries; or
4. Industries that are being transformed by technology and innovation that require new skill sets for workers; or
5. Industries that new and emerging and are expected to grow.

Targeted Industry Analysis

The current sector strategies project being developed under the guidance of Kentucky's Education and Workforce Development Cabinet includes a data-driven industry sector analysis. The analysis includes gathering and evaluating multiple data perspectives, including historical performance and future industry growth projections at the six-digit NAICS level.

Research predicts the top 20 fields requiring a bachelor's degree will increase a minimum of 20 percent from 2006 to 2016. Of the top 20 jobs, the top five are all in the technology sector. For those that do not want to obtain a bachelor's degree, an associate's degree in a medical profession such as laboratory technician to registered nurse will grow by an average of 20 percent through 2016 in the commonwealth. Currently, several local areas have initiatives targeting the healthcare industry.

The automotive industry is a key target industry with opportunities for locating virtually anywhere in Kentucky. The auto industry provides high wages, is a healthy part of the U.S. and world economy, and provides one of the higher economic multiplier effects because of the connection with high value-added supplier plants. Positioned geographically in the center of the U.S. "auto alley," Kentucky is within 500 miles of 69 auto and truck assembly plants. Kentucky's location, productive workforce and low business costs make the state a natural for automotive manufacturing and supplier plants.

Kentucky's new economy effort is comprehensive and multi-dimensional. It includes programs housed not only in the Kentucky Cabinet for Economic Development (CED), but also the Council for Postsecondary Education (CPE), the Kentucky Science and Technology Corporation (KSTC) and Kentucky Community and Technical College System (KCTCS), along with universities and the private sector.

The commonwealth's targeted industry clusters as identified through KWIB Sector Strategies Initiative were defined based on detailed industry analysis. The KWIB, in conjunction with the Education and Workforce Development Cabinet, engaged the services of Maher & Maher to facilitate and provide technical expertise for the development of sector strategies. A data-driven process, supplemented by stakeholder expertise, sector strategy implementation has defined the Commonwealth's key industry sectors.

The consultants along with KWIB members, the local knowledge of leading Local Workforce Investment Boards, and input from representatives from the Kentucky Community and Technical College System (KCTCS), Department of Commercialization and Innovation, Economic Development Cabinet, Education and Workforce Development Cabinet and other key stakeholders, continue to research and monitor the commonwealth's economic drivers to understand the dynamics of job creation and earnings, strengthening Kentucky's economic base.

Key data elements considered for defining Kentucky's Sector Strategy approach were; Historical Growth, Future Projection, Industry Concentration, Industry Competitiveness, Export Orientation, Job Multiplier Effects, Earnings Multiplier Effects, Industry Average Wage, and Workforce Compatibility. The accumulation of this data along with input from a data team and Steering Committee members provided Kentucky with 5 State wide world class sectors to focus on.

1. Automobile/Aircraft Manufacturing
2. Transportation, Distribution and Logistics
3. Business Services and Research & Development
4. Health Care/Social Assistance
5. Energy Creation/Transmission

- D. What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the public workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§112(b)(8).)

The strategic plan promotes the development partnerships in an effort to provide timely and relevant solutions to workforce challenges in a number of ways. The following are descriptions of four specific projects as prepared by the steering committees overseeing each one.

High Performing Workforce Investment Boards

KWIB members sense that the state has not provided enough consistency and leadership to help the LWIBs achieve their full potential. To overcome this leadership gap, KWIB initiated the High Performing WIBs initiative. Kentucky's intended purpose for this project is to validate the good work being done by LWIBs, set the course for a vision and future investments in the WIBs, collaboratively "move together toward excellence," and create a technical assistance system to help the boards improve.

Benefits to communities

The one-stop delivery system operates on a "retail" basis. Success comes in small quantities, one job order, one trainee, one placement, one employer at a time. Impact at the community or "wholesale" level is not likely to come about from one-stop centers that come into contact with only a small percentage of workers and employers. Wholesale impact must come from strong local vision and leadership. LWIBs can, should and do play leadership roles such as community convener, information broker of value-added workforce intelligence, connector to strategic relationships and alliances, and workforce intermediary. The best boards are creative, entrepreneurial, and risk takers on behalf of their communities. High-performing boards have significant positive impact on workforce issues. They have a value that extends beyond their authorization under WIA that justifies their existence over and above a single funding stream.

To ensure an inclusive and collaborative process, a Stakeholder Steering Committee has been formed to help shape the work and define "high performing." The committee has drafted policy parameters; established criteria, indicators and measures of high performance; and created an application process and self-assessment tool. Boards will receive training on the criteria and process. Teams of reviewers will be trained to score applications and perform on-site validation visits. Each WIB will receive a feedback report that identifies its strengths and challenges and makes recommendations for strengthening the board. Following the beta testing of the process in this baseline year, the steering committee will refine the tools and process in anticipation of a voluntary process to be implemented in 2012. Participating boards

will receive either an incentive award for being high performing or technical assistance resources if they need help to attain that designation.

Work Ready Communities

The KWIB, in conjunction with the Education and Workforce Development Cabinet, is implementing a Work Ready Communities program, through which it will certify counties as “work ready” based on the quality of their labor force. The program will raise the concept of “certified employability” from the individual level, as indicated by a person’s attainment of a NCRC or other credentials—to the community level. Further, it will promote cooperation among key community stakeholders (community college staff, secondary education, economic development professionals, elected and appointed officials, employers, chambers, school boards, community organizations, and others) as they work toward a common community goal.

Benefits to communities

Earning Certified Work Ready Community status ensures citizens have the talent necessary to staff existing jobs and to master the innovative technologies new jobs will require in the future. This certified status shows employers and prospective employers that a county has the talented workforce that business demand - a sustainable, reliable pipeline that delivers the right workers with the right skills at the right time.

Work Ready Communities can:

- attract new businesses and investment,
- gain a competitive advantage over surrounding communities,
- help existing companies grow and add new jobs,
- recruit creative, talented and innovative people, and
- revitalize their economies and keep them humming.

Each community must gather local support and commitment and apply for the Work Ready Community designation. To earn the designation of a Certified Work Ready Community, counties will have to meet and maintain certain criteria such as:

- encouraging current workers and the available workforce to earn NCRCs,
- demonstrating a commitment to meeting certain public high school graduation rates, and
- building community commitment for meeting these goals.

In the long run, this is a program that will benefit communities as well as the entire state. By taking part in the effort, counties can transform their economies and give themselves a competitive advantage in attracting new businesses and jobs. By

identifying both the needs of business and the available skills of Kentucky's workforce, the state can more effectively generate the right talent for the right jobs.

Sector Strategies

The KWIB, in conjunction with the Education and Workforce Development Cabinet, has engaged the services of Maher & Maher to facilitate and provide technical expertise for the development of sector strategies. This change management initiative is designed to introduce the concept of sector strategies, what they are, why they are important, and how they should impact service delivery strategy for the workforce system and our partners throughout the state.

Partnering with Economic Modeling Strategies (EMSI), a leader in economic data collection and analysis, the goal is to align the workforce, economic development and education systems with the needs of the state's high growth/high wage industries.

Benefits to the state and its regions

Determining the state's economic drivers will help state leaders understand the dynamics of job creation and earnings, and help them strengthen the state's economic base and diversify for future growth.

- The implementation of sector strategies will simplify the workforce development service delivery system and help achieve a customer-centered system.
- Sector strategies lead to an efficient use of resources as organizations that are primarily responsible for attracting companies and jobs to a region and those supplying the skilled workforce are working together to attain a shared regional vision.
- The data-driven process, supplemented by stakeholders' on-the-ground intelligence, will define the state's key industry sectors, thereby allowing all related systems to align to industry needs, eventually benefiting all Kentuckians and its workforce.

The Process

- Design a Sector Strategies 101 course that demonstrates a high-level overview of the power and benefits of sector and cluster strategies. This instructor-led training will be developed in the format of a PowerPoint, presented as a webinar and then converted into a self-paced learning course.
- Facilitate the identification of three to five statewide target sectors and three to five sectors in each region.
- Conduct three Sector Strategies Institutes to introduce the value of regional sector approaches, discuss the results of the data analysis and foster a method of collaborative, regionally based decision-making in building regional sector strategies.

- Fully develop a strategy for one statewide sector and provide critical industry, occupation and education data analysis. This will become the model for regions to develop their own sector strategies.
- Develop a Sector Strategies toolkit, which will include decision-making tools, strategy-development tools, best practices, model strategies, etc.

Economic Development Academy

The academy is a one-day program conducted throughout the state that is designed to bring together local workforce investment board members, economic development authorities, local elected officials, and members of the general assembly representing the region.

The purpose is to explore how they can collaborate to achieve community and statewide economic development goals by integrating a workforce system that serves as a tool for recruiting and expanding business and industry and the quality jobs they bring.

As a spin-off of the academy, a half-day session focused on innovation leadership is recommended. This can be conducted in conjunction with or as a stand alone supplement to the Economic Development Academy. The Innovation Leadership Forum will expose local elected officials and economic development professionals to the importance of focusing on innovation for economic growth as an alternative to reliance solely on chasing the “big win” of a major manufacturing operation.

The academy will also create a user-friendly directory of key players in workforce investment and economic development at the state, regional and local levels that can be used as a resource by business and industry as well as economic development, workforce and elected officials.

The directory should be available online in a format that allows users to search by county and region. Hard copies will not be printed; however an option for the user to print the directory should be available. Entries should include the roles and responsibilities of listed agencies and individuals, as well as brief information about programs, resources and funding sources.

Benefits to the state and its regions

- The academy increases communication and collaboration between workforce boards and economic development agencies by bridging differences in “language,” goals and cultures.
- It focuses a seamless delivery of services provided by Kentucky or the community, not individual agencies.
- It helps improve and evolve methods of projecting jobs and training needs of the future by building and strengthening relationships among all parties prior to a crisis situation.

- The academy increases opportunities for entrepreneurship in a culture of innovation.

E. What State strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§§112(b)(17)(A)(i) and 112(b)(4)(A).)

The commonwealth has put a premium on training individuals in high growth/high demand sectors. Under Gov. Beshear's leadership, Kentucky has retooled its use of Statewide Reserve funds to support training in viable state and regional sectors. Specifically, a Statewide Reserve Investment strategy including long-term and short-term investments has been developed. Some recent investments have been made in the Prescriptions for Success, Pre-Apprenticeship, Sector Strategies and High Performing WIBs to name a few.

Once the state and regional sector strategies have been identified in summer 2011, the state will completely overhaul the Eligible Training Provider List as outlined in the "WorkSmart Kentucky Strategic Plan." Also, a request for proposals creating industry partnerships in those sectors will ensure that the training needs of employers in those sectors will have been developed and education and training partners will align program offerings to support those employer needs.

Additionally, the commonwealth will continue to utilize a method undertaken with ARRA resources: evaluating how training dollars are spent and how those expenditures correlate with the identified training needs regionally and statewide. This will be done on a quarterly basis at the state level as well as assessed through the overall monitoring process.

Finally, at a local level, the Work Ready Communities will focus key education, business, community, workforce and economic development leaders on the need to increase the skill level of the emerging, incumbent and underemployed workforce in high growth/high demand occupations.

F. What workforce strategies does the State have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the State's economic strategy? (§§112(b)(4)(A) and 112(b)(17)(A)(i).)

The KWIB understands the importance of small business and the potential for economic and job growth with existing small businesses as well as the promise of innovation-driven business creation. The strategic plan deals with small business and entrepreneurial efforts in a number of ways.

First, the Sector Strategies initiative recognizes the importance of a business sector regardless of the size of the companies that comprise it. By facilitating these efforts, the workforce system can serve small business in a number of ways, including

development of career pathways and training programs that small business would likely not have the capacity to develop on their own; serving as a forum for businesses to mentor each other and gain the advantages of a larger entity because of the cooperative aspects of the partnership; and realizing the benefits of a renewed or new relationship with the workforce system as a solutions-based resource for building their capacity to compete.

Second, an initiative called “Mind Your Own Business” is an effort to increase the workforce system’s participation in the innovation and entrepreneurial economy of Kentucky. While we cannot teach entrepreneurship, we can help train individuals in the practice of operating a successful business as well as the key component of this initiative: making connections between entrepreneurs and venture capitalists.

The following is a description of this initiative from the strategic plan.

Mind Your Own Business

Mind Your Own Business promotes entrepreneurship and innovation as employment and economic development options with training available through every one-stop center and area technology center throughout the state. Innovative thinking and local adaptation is encouraged by this strategic plan therefore, a standardized statewide curriculum is not recommended.

Local areas are encouraged to work with education, business and finance partners as well as small business development centers and the state’s Innovation and Commercialization Centers to develop a comprehensive entrepreneurship training program that is responsive to local needs while meeting certain minimum standards to be established by the Governor.

In addition to providing opportunities for entrepreneurship training, local alliances are encouraged to link successful participants with venture capital, micro-finance, and other financing resources.

Area technology centers operated by the Kentucky Office of Career and Technical Education should work with the LWIBs to create secondary-level versions of the entrepreneurship training opportunities.

- G. How are the funds reserved for Statewide activities used to incent the entities that make up the State’s workforce system at the State and local levels to achieve the Governor’s vision and address the national strategic direction identified in Part I of this guidance? (§112(a).)

The following is the policy for investing statewide reserve funds adopted by the KWIB at its November 2010 meeting and includes both short- and long-term investment strategies. Further, policy guidelines for competitive grants and local

requests for statewide reserve funds state that applicants must document how their project helps achieve the goals of the state's strategic plan.

Short-Term Investments

State Innovation Fund

\$1,450,000

These resources will be invested in statewide projects that support system transformation and the four goals of the KWIB: 1) align the Commonwealth's workforce development system with Kentucky's education objectives; 2) align the commonwealth's workforce development system with economic development strategies; 3) simplify the workforce development service delivery system; and 4) improve service to achieve a customer-centered delivery system.

Local Innovation Fund

\$1,450,000

These resources will be invested in locally initiated projects that support system transformation and the four goals of the KWIB as outlined in the State Innovation Fund above.

Performance Incentive Fund

\$750,000

This fund will provide resources to LWIBs based on performance during PY 2009. They will be distributed based on a formula for those areas that exceed negotiated performance standards. They are typically used to support local innovation, modernization and system improvements.

Outreach

\$500,000

A significant branding and identity initiative (action step 2) is currently underway. Once this work is completed, these funds will be used to carry out the workforce development system changes reflecting the new branding and identity strategy at all levels of the system. This will include an aggressive outreach initiative detailed in action step 22.

Workforce Academy

\$500,000

The commonwealth is reissuing this RFP given the limited response to the initial RFP with a refined scope of work. This initiative will result in a comprehensive training program for all staff at each level of the workforce system. It will support consistency and quality across Kentucky. It is action step 21 in the WorkSmart Kentucky plan.

High School Outreach

\$250,000

The resources will encourage LWIBs to develop strong working relationships with middle and high schools detailed in action step 10. These relationships will be based on the one-stop centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community. This investment supports statewide refinement and implementation of a work ethic program.

Rapid Response Redesign

\$250,000

This effort will evaluate and enhance Kentucky's delivery structure based on best practices across the country. The intent is to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly at times of dislocation as detailed in action step 14. Locals will be able to apply for planning funds to support the redesign efforts.

Pre-Apprenticeship Phase 2

\$250,000

In the previous year, the commonwealth seeded several projects to advance the pre-apprenticeship model. These resources will build upon that initial investment and support the Apprenticeship Action Clinic that the USDOL convened in January 2011. This relates to action step nine.

Long-term Investments

Listed below are the priorities for the PY 2011 and FY 2012 Statewide Reserve funds based on current work and the action step implementation timeline.

- **One-Stop Certification** – action step 3
- **Sector Strategies Development Fund** – action step 1
- **GED Express** – action step 11
- **Work Ready Community Roll-out** – action step 13
- **Economic Development Academy** – action step 15
- **Workforce Development Academy** – action step 21
- **High Performance Workforce Investment Board** – action step 20

H. Describe the State's strategies to promote collaboration between the public workforce system, education, human services, juvenile justice, and others to better serve youth that are most in need and with significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§112(b)(18)(A).)

When the KWIB was re-established, a steering committee was developed to include all of the secretaries of key cabinets involved in workforce development. The steering committee identified potential action steps for enhancing services to youth most in need and with significant barriers. They include Tech High, I-Best (now Skill Up), Apprenticeships, High School Outreach, GED Express, Partner for Success and Case Management.

WorkNow Kentucky, a summer subsidized employment program in partnership with the Cabinet for Health and Family Services, placed 6,896 TANF-eligible young people ages 16-24 from June 1 through September 30, 2010, in temporary jobs. Almost 20 percent of all program participants received full-time employment as a result of participating in the program. Also, almost one-third of the participants enrolled in education and training programs after completing the program.

Specific collaborative initiatives were discussed in detail in earlier sections, but include the following:

- Governor’s Re-entry Task Force,
 - Graduate Kentucky initiative,
 - College and Career Ready,
 - National Career Readiness Certificate,
 - ABE to Credentials,
 - Transitions initiative, and
 - Career Pathways.
- I. Describe the State’s strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b)(2).)

The KWIB has developed a strategic plan to work with all partners in the state to improve the process of finding employment and maintaining a productive and trained workforce.

The KWIB strategic plan identified barriers to employment for Kentucky’s job seekers. These barriers are aggressively being addressed through various technology enhancements. The KWIB is also developing sector strategies on a state and regional level to address the problem of being program driven rather than demand driven. Being demand driven will allow the state and local areas the ability to focus workforce needs on an industry assuring a flow of workers for present and future needs.

On June 15, 2010, Gov. Beshear signed House Bill 5, a measure aimed to restore stability to an unbalanced unemployment insurance (UI) system, and shore up the state’s depleted Unemployment Insurance Trust Fund. The legislation is based on recommendations by a task force of Kentucky business and labor representatives and lawmakers convened by the Governor last year to study the state’s UI system. House Bill 5 modernizes the state’s unemployment tax and benefits structure.

Beginning in 2012, the law gradually increases the taxable wage base from \$8,000 to \$12,000 over a 10-year period; implements a waiting week before eligible workers can begin to receive benefits after they file a claim; and reduces the statutory replacement rate used to calculate a claimant’s weekly benefit amount from 68 percent to 62 percent.

At this time Kentucky has undertaken a major project for the enhancement of EKOS, known as America’s One-Stop Operating System (AOSOS). Through an RFP process, Kentucky selected software titled “Career Focus” from a vendor, Burning Glass Inc., in Boston, Mass. Career Focus will replace both Kentucky’s self

registration for job seekers and e3.Ky.gov employer portal at no cost to job seekers or employers. It will be utilized by employers who prefer to enter their company information and job posts, which are automatically processed into the EKOS database and viewable to job seekers in the EKOS Self Service Module, on America's Job Exchange (AJE), and Job Central (JC). These enhancements will streamline the process and assist job seekers in maintaining and updating resumes as additional training is received.

In addition, it is the responsibility of the KWIB and the OET to identify laws, regulations and policies that may impede the successful achievement of the Governor's workforce development vision.

- J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to §189(i) and §192.

Kentucky requests the continuance of the following previously approved waivers.

1. Waiver of WIA Section 133(b)(4) and WIA Regulations §667.140 to increase the allowable transfer amount between adult and dislocated worker funding streams allocated to a local area.

Local boards have the option to continue to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

The waiver will provide LWIBs the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.

2. Waiver of WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134(a)(3). These funds will be connected to layoff aversion activities.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

3. **Waiver of WIA Section 134(a)(1)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.** Allow up to 20 percent of Rapid Response funds to be shifted, as needed, to local workforce investment areas for the purpose of providing incumbent worker training.

This waiver promotes maximum investment of available funds as well as increases levels of service. It focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of local workforce investment areas to further expand incumbent worker activities.

4. **Waiver of 20CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.** Permit the commonwealth to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). Under the waiver, the commonwealth will continue to collect and report information on incumbent workers trained with local WIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, eliminating the requirement to capture information that does not impact program outcome, this waiver will allow local areas to timely assist employers in averting layoffs and improving employer customer satisfaction.

5. **Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training (OJT).** WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be reimbursed at the 50 percent rate.

Employers, WIA customers and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the increased

reimbursement rate. The time the employer has to devote to the OJT employee, will make them more valuable to present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.

6. **Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).** Through this waiver, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, Kentucky shall establish the required portion of the costs, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be charged the 50 percent rate.

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small-employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relations with employers in high-demand, high-growth industries.

7. **Waiver to permit the commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.
8. **Waiver of the prohibition at 20CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth to utilize Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using youth funds to provide training services to youth, while retaining the limited adult funds to be used for adult training services. The waiver has increased efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.
9. **Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.

- K. Describe how workforce investment system resources can be deployed to serve increased numbers of workers in need.

The commonwealth is exploring a number of ways to increase services to workers in need. Kentucky is considering several technological innovations to provide job

seekers with an automated, self-initiated work search. The commonwealth is exploring a new interactive system that would engage the customer by prompting him for information and developing a comprehensive picture of the job seekers in the applicant pool. This profile of the customer would allow for more wide-ranging and appropriate job-matches due to the extensive background information it gleans by the question-response mode. By enhancing registration and resume-building software, the customer is assured of being appropriately identified and recognized for his/her full range of career interests, job skills, educational achievements and work history. This level of automation would allow quicker access for job seekers who are more accustomed to electronic portals, while providing guidance to customers who are not as comfortable with computer-based services.

Kentucky's local workforce investment areas have identified a number of ways to encourage and support customers utilizing the workforce system. Many local areas are targeting marketing and recruitment to those most-in-need of one-stop career services. Outreach efforts are being coordinated with one-stop partners and other agencies that serve the same or similar target groups. These agencies include probation and parole, community-based services, foster care, family resource centers, veterans programs and others.

The state will meet the needs of under-skilled adults by offering a full range of services and service providers at the comprehensive one-stop career centers. Adults needing basic educational skills will be afforded core services by all partners in the one-stop center and, if appropriate, referred for remedial education to partnering agencies. By recognizing the basic educational needs of under-skilled adults and providing them with a gateway to specialized instruction and a GED diploma, Kentucky's local areas are elevating the educational base in their communities and encouraging continued instruction for those pursuing additional training opportunities.

Several local workforce investment areas have designed methods of ensuring that even self-directed customers are reminded of the full menu of services available through the one-stop environment. For example, customers may receive a follow-up letter, or email, to determine whether or not they have found employment and, if not, what intensive services (i.e., job search workshop, resume assistance) or retraining might be of interest to them. Also, by attending forums and training sessions, Kentucky's local areas gain a more nationalized perspective allowing them to augment their own policies and procedures with other successful practices.

Kentucky is considering increasing re-employment services to customers through kiosk locations. Since kiosks can be positioned at any number of locations such as libraries, community centers, schools and municipal buildings, the access points for job seekers become almost limitless. Not only could the number of job seekers increase, but the service to those populations in remote locations would increase. Meetings have taken place between the OET and the Kentucky Department of Libraries and Archives (KDLA) to discuss the possibilities of local libraries

becoming access points to better meet the growing workforce demands of Kentucky's communities.

One way in which Kentucky strives to support the full range of one-stop career center customers is by encouraging cross-training and diversity training within its centers. Since the inception of the Workforce Investment Act, Kentucky's one-stop career centers and their various partners have recognized the need to not only co-locate, but to develop an understanding of one another's customers and services. While this training and discussion has been on-going at the local level, the inclusion of new and additional staff, as well as the continued outreach to additional partner agencies, has made the mandate of staff cross-training and diversity education a constant necessity. Each one-stop career center and the local workforce investment area maintain a training schedule and planned events which are sensitive to fluctuations in the community's need for services. Kentucky will also encourage its local workforce investment areas to consider the reinstitution of needs-related payments and supportive services in those areas which may have suspended those services due to a lack of funds. In those areas which continued to offer the services, Kentucky will encourage an increase in the amount of support offered to participants. Increasing supportive systems allows participants to enter training opportunities with the knowledge that assistance is available to help sustain them throughout their program. For those customers of the one-stop centers who require basic skills remediation or English-as-a second-language support, Kentucky plans to re-engage those partnering agencies that are best suited to provide these types of specialized services.

Kentucky will ensure that education and training delivered through the workforce system results in education and workforce skills of demonstrated value by continuing to support the labor market research and system studies conducted by its 10 local workforce investment areas.

Kentucky's diverse topography, demographics, and concentrations of populations yield drastically different workforce results from one end of the state to the other. Therefore, the local workforce investment areas are best suited to measure their own unique labor market needs, high-growth indicators and to evaluate their own educational system to gauge the appropriate training certifications for those students hoping to compete for future job openings.

Local workforce investment areas continue to coordinate with business and industry and local economic development agencies to identify current and emerging workforce needs. Collaboration with these agencies is helping to prepare for more competitive and higher-wage jobs as new "green" sectors are identified. Both statewide and locally, Kentucky is working with the KCTCS in the development of new classes targeted to special populations and expanding available training opportunities. Short-term, credential-based training options are being developed that offer flexible entrance and exit points. Local areas are working closely with providers to consider staggering traditional semester/quarter start and end dates to better accommodate the needs of training customers.

Kentucky's local areas seek to capitalize on the benefits of short-term training in high-growth occupations. Several areas are investigating the option of sharing both staff and resources with educational providers in order to offer convenient classroom locations. Several local areas have expressed an interest in exercising the opportunity of contracting with institutions of higher learning to design education and training curricula to meet the immediate needs of both job seekers and employers. Local workforce investment areas are working to identify options for incumbent worker training and on-the-job training, since "earn-while-you-learn" will remain an attractive, if not essential method, for small employers during lean economic times.

Local areas are working to ensure that training programs, which do not lead to a certificate, degree or license, are in line with the workforce goals of the community and region. By validating the need for a particular skill, local areas can have some level of assurance that training customers engaging in non-credentialed programs are viable in their local labor market.

The state will continue to encourage the local workforce investment areas to creatively align their education strategies and economic/community development initiatives to meet the skill needs of jobs and industries important to the local and regional economies. Local areas work closely with the state's labor market/research and statistics branch to ascertain employment trends in their areas and in adjacent areas. Kentucky's local workforce investment areas which border neighboring states have long recognized the necessity of working in conjunction with multi-state planning agencies to maximize the quality of life, work and education in living and commuting areas.

The commonwealth will align workforce activities with education, economic and community development strategies to meet the skill needs of jobs and industries important to the local and regional economies and will meet the needs of under-skilled adults by offering a full range of services and service providers at the comprehensive one-stop career centers. Local workforce investment areas develop strategies that positively impact the educational level of the workforce of their regions. This goal requires the cooperation of all partners in the workforce development system. The Education and Workforce Development Cabinet secretary has convened several meetings to bring together the policy and decision makers from the various workforce and education agencies. Future meetings are planned to continue the ongoing strategy sessions to improve Kentucky's economic development strategies to meet the skill needs of Kentucky's businesses.

- L. Describe how adults and dislocated workers, including low-income adults who need to acquire new skills, will have increased access to education and training opportunities.

Kentucky's service strategy to ensure adults, dislocated workers, target populations, and those given preference in the WIA adult program in the ARRA, recipients of

public assistance and other low-income individuals, have universal access to core services is within Kentucky's service delivery infrastructure that involves its 31 comprehensive one-stop career centers, their affiliate and satellite sites. Information and services, through self-service, facilitated self help and staff assisted service are accessible and available to all customers at the local level. These services are available in the career centers or electronically through a variety of user friendly self-help systems in their homes, schools or libraries.

Several local workforce investment areas are developing one-stop marketing strategies to promote "early engagement" of customers. By eliminating the stigma of unemployment and, instead, embarking on a re-employment search, job seekers experience a more positive impression of the overall workforce system.

In order to ensure that families that are struggling in the current economic climate have access to core services in their communities, some local areas have placed staff and/or information about core services in crisis centers or in agencies providing assistance for food, housing and other basic needs.

With additional funding provided under ARRA, local workforce investment boards are focusing on low-income youth and adults receiving public assistance under the Kentucky Transitional Assistance Program (K-TAP) and/or food stamps or are 70 percent of the Lower Living Standard Income Level or are homeless, public assistance recipients of housing assistance, medical cards, or Supplemental Security Income (SSI). Local areas also provide priority service to persons with disabilities and unemployed individuals who are not at a level of self-sufficiency (level defined by local area) or other individuals who require assistance to obtain employment leading to self-sufficiency. Veterans and eligible persons who are members of the priority group receive the highest priority within that group, followed by non-veteran members of the group.

Core services are determined by local memoranda of understanding between the one-stop partners. All partner agencies are assisting with the provision of core services to offset the extraordinary time that Wagner-Peyser staff have been asked to devote to UI claims-taking and eligibility review. Kentucky's rural topography necessitates the use of electronic access to core services in extremely remote locations.

The integration of these shared resources, coupled with direct agency resources, provides a systematic approach to receiving core services at local one-stop career centers. Adults and dislocated workers are able to enter the system from numerous points of entry and may receive core services on site at the local one-stop career center or off site at an affiliate one-stop location and/or online.

All adults and dislocated workers have access to the minimum required core services at comprehensive one-stop career centers. Core services include, but are not limited to, outreach and intake, information about partner programs, access to labor market

information, job search and placement assistance, career counseling, information on filing UI benefits, and information on training providers.

Kentucky will continue to develop and refine strategies to identify and meet the needs of targeted populations in the workforce. Services are evaluated for effectiveness and responsiveness based on targeted needs. Strategies to expand outreach and marketing to customers include press releases, public notices, visits to community meetings and public schools, direct mailing, email messages, electronic voice messages and job fairs. Staff is encouraged to build partnerships with public and private entities that work with the targeted groups. These strategies will support success in individual goals and state and local performance outcome goals and will ensure non-discrimination and equal opportunity.

Local areas' frontline staff, equal opportunity officers, and selected state staff continue to take advantage of learning opportunities to address the needs of special populations in the one-stop career centers. National, regional and local training events sponsored by USDOL and partner agencies provide up-to-date information.

Local areas enjoy the latitude to forge unique community integration initiatives to meet individual needs. For example, several of Kentucky's local areas have embarked on partnerships with faith-based organizations, as they are quite often the first point of contact within the community for targeted populations. Areas are furthering their partnerships with agencies such as Goodwill Enterprises and Helping Hand, which are well-suited to establish initial contact with those in need of basic assistance and, ultimately, opportunities for both educational and employment growth.

M. Describe how the state will address a dual-customer approach, meeting the skill needs of existing and emerging employers and high-growth occupation as well as the needs of under-skilled.

The first step in developing a dual-customer approach is to understand the needs of each customer at various stages in the process. The state is examining opportunities to affect the experience that each customer has with the system, and identifying where the system is missing the mark and looking for ways to improve the delivery of services to each customer group. To that end, Kentucky's branding and identity initiative has produced two documents which describe the customer journey for both employers and individual customers (See Attachment C)

This information is being used by the teams working on several other initiatives, including User-Friendly On-Line Services, One-Stop Certification Policy Framework, High Performing Workforce Investment Boards, and the Workforce Academy.

It is anticipated that once finalized, part of the rebranding of the system will include prominent placement of these documents in one-stop center employee areas as part of the effort to shift our service delivery culture from program based to solutions based.

- N. Describe how workforce activities (e.g., adult education, job training, postsecondary education, registered apprenticeship, career advancement, needs based payments, and supportive service activities) will be aligned in career pathways both now and in the transformed workforce system of the future.

As discussed in earlier sections, the KWIB has created steering committees for each action step in the “WorkSmart Kentucky Strategic Plan.” These committees include representatives from Kentucky Adult Education, KCTCS, the Labor Cabinet, K-12 education, Economic Development and LWIBs. This was done to align the sector strategies with the state’s commonwealth future investments. This alignment is not only being modeled through the steering committees, but at the various levels of the project design and delivery as well.

In answer to Governor Beshear’s charge to “turn our focus to the future and again to our schools to ensure that our strategies and programs are designed to meet the challenges of the 21st century,” the Secretary of the Education and Workforce Development Cabinet and the Commissioner of Education established a steering committee to develop a comprehensive statewide plan to implement a new model of secondary career and technical education. The new model will place an emphasis on innovation and integration of core academics, 21st-century skills, project-based learning and the establishment of full-time career and technical education programs, for implementation in the 2012 General Assembly.

Through the Transforming Education in Kentucky (TEK) initiative, the Kentucky Department of Education and the Department of Workforce Investment will continue to work collaboratively to better join academics and career/technical education studies to realize the potential of career and technical education in improving high school achievement, graduation rates, and college and career readiness.

Below are a few additional efforts underway to create and support alignment in career pathways, all of which have been described to varying levels of degree earlier in this plan.

- Skill Up
- Career Counseling Project
- Breaking Through 2
- Apprenticeship
- Dual Credit
- Career Pathways Technical Assistance Project
- ABE to Credentials

- O. Describe how the State will partner to develop workforce solutions with community colleges, business and labor organizations, registered apprenticeship program sponsors, civic groups, and community organizations to align workforce

development strategies and align workforce strategies with strategies for regional development shared prosperity.

The first two goals of the KWIB's strategic plan are to align workforce, economic development and education goals. To that end, Kentucky's workforce system leaders have worked to build new relationships and enhance existing ones at all levels with the community college system, economic development organization, the Kentucky Labor Cabinet, local workforce investment areas, partners within the system and potential partners outside the system.

As mentioned earlier in this document, the board has invited and welcomed the participation of a wide variety of groups and individuals on steering committees of the 18 transformational initiatives now underway. Through this process, the system is building credibility, trust and a working knowledge of these stakeholders.

Additionally, the state and local areas regularly team with many of these partners to:

- pursue grant funding like the State Energy Sector Partnership renewable energy jobs funding,
- develop responsive programs to employer customer demands like the Elevate America project to increase digital literacy, and
- deliver services as part of a larger team approach like the successful economic development pursuit of a Tiffany's diamond setting facility in Lexington in 2010.

VI. Major State policies and requirements

Describe major state policies and requirements that have been established to direct and support the development of a Statewide workforce investment system not described elsewhere in this Plan as outlined below. (§112(b)(2).)

- A. What State policies and systems are in place to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d)(2) and 112(b)(8)(B).)

The commonwealth utilizes the EKOS as the primary workforce case management information system for common measures performance management and reporting. EKOS is part of the America's One-Stop Operating System (AOSOS) consortium. All 10 local workforce investment boards use EKOS as their WIA, Wagner-Peyser, Veterans Employment and Training Services (VETS) and Trade common data collection and case management system. The system is also the primary tool used by OET to perform job matching services.

Policies and guidelines are issued through OET regarding data entry, reporting and timelines. Basic and advanced data entry and program-specific training is provided to all OET, WIA, VET and Trade staff. The system provides a single common data collection and reporting process that facilitates seamless integrated service delivery and performance management.

The website **e3.ky.gov** is Kentucky's multi-audience web portal designed in response to a growing demand for integrated education, employment and economic development. Driven by a geographically dynamic search engine, **e3.ky.gov** offers snapshots of the commonwealth's data, resources and human capital in a convenient, self-service format that encourages exploration. The **e3** gateway can be used by students, parents, counselors, employers, human resource managers, job seekers, policy researchers, program planners and economic developers who need information, services and navigation assistance to locate key resources. The system allows Kentucky to track the attainment of GEDs, postsecondary degrees and state-issued certifications, and display this information to users in a wide variety of geographic formats. The system interfaces with EKOS for a seamless flow of information.

In addition, we are collaborating with the Kentucky state data warehouse consortium, P20, to provide unemployment data that will allow for the production of longitudinal reports and incorporating the Council on Post-Secondary Education (CPE), and the Kentucky Department of Education (KDE).

One KWIB initiative is User-Friendly On-Line Services. This project will completely overhaul Kentucky's workforce development online service delivery by improving and expanding web-based tools and services. The commonwealth has released an RFP to enhance EKOS and e3 capabilities in resume building, job matching and

employer self-service. In August 2010, Burning Glass Technologies was selected to customize, develop and integrate new technologies into the current EKOS and e3 systems.

The “Focus Career for Job Seekers” technology will replace the EKOS self-registration system, offer a multi-formatted resume builder, provide email job alerts, automatically match resumes to jobs and rank matches using an artificial intelligence program. Proposed statewide training and the launch date for the resume builder and job matching components will take place in May 2011.

The “Focus Talent for Employers” will replace the e3 employer module, create a more employer-friendly job posting mechanism, provide email resume alerts, match jobs to resumes automatically and rank matches using artificial intelligence program. Proposed statewide training and launch is July 2011.

OET staff generates quarterly performance reports for WIA, Wagner-Peyser, VETS and Trade programs. Performance outcomes are reviewed quarterly for all programs and technical assistance is offered to local areas as needed.

Kentucky is in the process of developing and designing federal WIA, Wagner-Peyser and Trade reports through Business Objects, a business intelligence software. Additionally, state and local WIA staff received training on creating ad hoc reports using Business Objects that will allow real-time reporting and results.

- B. What State policies are in place that promote efficient use of administrative resources such as requiring more co-location and fewer affiliate sites in local One-Stop systems to eliminate duplicative facility and operational costs or to require a single administrative structure at the local level to support local boards and to be the fiscal agent for WIA funds to avoid duplicative administrative costs that could otherwise be used for service delivery and training? The State may include administrative cost controls, plans, reductions, and targets for reductions if it has established them. (§§111(d)(2) and 112(b)(8)(A).)

The commonwealth’s local workforce investment areas are geographically and demographically diverse. Through technical assistance and guidance, state staff works with local boards and staff on the development and use of memoranda of understanding as well as on the cost allocation/resource sharing agreement that promotes efficient use of administrative resources and the elimination of duplicative facility and operational costs.

To promote the most efficient use of administrative resources in the local one-stop systems across the 10 regional workforce areas, OET hired 10 regional managers to coordinate job seeker and employer services in their respective regions. Regular meetings are conducted with the WIA directors and other partner leadership to discuss functional alignment. This strategy aligns staff and services with employment and training functions rather than providing services through silo funding streams.

Each of the OET regional managers serve and provide input to their Local Workforce Investment Board. Through partner collaboration, decisions are made in each region that will best meet the needs of the workforce customer. Decisions such as hours of operation and design of facilities are determined through partnership agreements.

Another important cost effective measure is the EKOS integrated data system that allows Kentucky to coordinate service tracking more efficiently and workforce programs to share accountability for performance reporting.

As Kentucky moves forward with its one-stop renovation plan as well as assessing and evaluating career centers in state-owned or state-leased facilities, the commonwealth is focusing on accommodating integrated services and placing co-location and shared common facilities at the forefront of all construction and retrofit decisions. By capitalizing on the strengths of staff, location and technologies, duplication and costs across programs will be reduced.

In order to ensure the highest possible return on investment, job seekers and employers utilizing the one-stop system must be provided with consistent professional services and exceptional benefits. Through the One-Stop Certification initiative, the board will establish a policy framework to serve as the baseline standard of a one-stop career center in the Kentucky workforce system. Local areas will benefit by having a clear policy framework to guide its improvements as well as those of partner agencies. These new standards will provide local operators with opportunities for collaboration and a basis for helping achieve equity in the distribution of responsibility for the success of the one-stop system.

Through the KWIB Workforce Academy initiative, the commonwealth expects to achieve system-wide consistency in the approach to customer service through a training program that will be developed and provided to all service delivery staff. As part of the workforce academy model, a collaborative case management approach with an emphasis on providing timely and accurate workforce intelligence to our employer and education partners, as well as job seekers is seen as critical. Upon completion of the cross-training and workforce system training, Kentucky projects resources will be saved through workforce system service integration and provide the ability to offer expanded customer service.

A key KWIB initiative, Partner for Success, will establish an Achieving Success Together team to identify areas of common and complementary services. Composed of workforce system partners, the team will explore ways to increase efficiency and effectiveness by simplifying service delivery driven by the employer customer's and the individual consumer's view. Results of this initiative will move the commonwealth from a confederated set of agencies to a unified system focused on investment in workforce. It will streamline service delivery to employer and individual customers, leverage resources and share credit for outcomes. It also will provide opportunities for workforce system staff to take ownership in the vision, direction and return on investment.

As previously referenced, the User-Friendly Services KWIB initiative will promote efficient use of administrative resources and eliminate duplicative operational costs by providing local workforce staff with better tools and services to offer employers and job seekers. Time spent completing manual tasks can be freed up to focus on customers and their actual needs. More automation in the system should result in shorter lines and wait times in one-stop career centers by making many applications available to customers online.

C. What State policies are in place to promote universal access and consistency of service Statewide? (§112(b)(2).)

Each area has a unique set of economic and workforce needs that often requires customized programs. Efforts to provide consistent services while retaining local flexibility are ongoing. However, Kentucky is pursuing initiatives that promote universal access and consistency in services provided through the one-stop career centers.

The Branding and Identity KWIB initiative is key to promoting universal access and the One-Stop Certification implementation is critical to consistency of services statewide.

Kentucky issued a request for proposal in 2010 to initiate both of these essential initiatives. Nationally recognized and respected consultants were hired to implement both endeavors.

Kentucky is undertaking a comprehensive rebranding initiative to address the architecture of the entire workforce system including one-stops, online services, and other public interfaces to maximize the commonwealth's investments in the workforce. Currently, the Kentucky's workforce system has a variety of names for the one-stop career centers across the state. Although local workforce investment areas have a local brand, there is not an umbrella designation for Kentucky's workforce system. This has been very confusing to potential customers, both employers and job seekers.

Through the Branding and Identity initiative, Kentucky will establish a foundation for improving:

- quality of customer service,
- user-friendly tools,
- standard menu of services, and
- consistent case management.

Kentucky plans to upgrade one-stop facilities to ensure businesses and job seekers feel comfortable conducting business in our centers and realize the value of the services we provide.

One-stop customers will benefit from a user-friendly system that provides excellent services, is easy to identify and of dependable quality. Attracting new or return business customers will benefit those seeking jobs and new opportunities. Local boards will benefit by becoming part of a larger effort to unify the system, increase awareness and expand the customer base through statewide promotional activities.

The One-Stop Certification Policy will be implemented in order to ensure the highest possible return on investment for a common branding identity across the state and provide customers with a baseline level of consistent services across the state. While each local area will address its regional trade and industry needs, customers should be able to rely on certain standards in terms of graphic identity, menu of services, convenience of location, customer service, and quality facilities. The One-Stop Certification Policy develops benchmarks and baseline standards for consistency within the system which includes physical, program and customer service.

Consistency of service is also achieved by providing a consistent message to the local workforce system staff regarding expected levels of performance, service delivery and service quality. Through the Workforce Academy KWIB initiative, Kentucky will develop a training program and provide guidance and instruction to all service delivery staff to achieve system-wide consistency in the approach to customer service. In addition to customer service training, opportunities for training in the following areas are also recommended:

- workforce system orientation,
- workforce programs,
- management,
- media relations,
- case management,
- career counseling, and
- partner cross-training as appropriate.

As stated previously, the User-Friendly Services initiative will promote universal access and consistency of services statewide through improving and expanding Kentucky's workforce web-based tools and services. To create an online user-friendly environment for all customers, the new approach will include a single point of entry or front door for both employer and job seeker customer groups. The portal will be designed around the themes of Kentucky's rebranding strategy and easily guide the user to the appropriate services with intuitive navigation features.

Please see Service to Specific Populations, page 128 for additional information.

- D. What policies support a demand-driven approach, as described in Part I "Demand-driven Workforce Investment System", to workforce development – such as training

on the economy and labor market data for local Board and One-Stop Career Center staff? (§§ 112(b)(4) and 112(b)(17)(A)(iv).)

OET's Research and Statistics Branch is the source for Kentucky's Labor Market Information (www.workforcekentucky.ky.gov). The online Workforce Kentucky is designed to serve employers, job seekers, students, counselors, educators and training providers. It is the largest source of labor market data in the commonwealth. Local workforce investment boards utilize the website for strategic planning and operations. In addition to providing presentations and information to local workforce investment boards, Research and Statistics staff address workforce, education and economic personnel, providing them with tools of reference in areas of occupational skills, projected and occupational growth, training providers and training programs.

The Research and Statistics Branch provides a newsletter to more than 700 users each month, including OET and WIA staff. The newsletter contains economic highlights such as total employment and unemployment, industry payroll employment, hours and earnings data for selected industries, Metropolitan Statistical Area (MSA) employment, consumer price index (CPI), unemployment insurance data, and WIA unemployment rates.

In today's economic times, businesses are looking closely at the supply of skilled workers and the educational institutions that can provide the industry-relevant skills they need to grow. In response to this need, Kentucky issued a request for proposal in 2010 and awarded a contract to nationally recognized and respected consultants to assist the commonwealth in making investment decisions based on sector strategies. The KWIB Sector Strategies initiative will develop state and regional, employer-driven partnerships of industry, education and training, and other stakeholders focusing on the workforce needs of key industries. The partnerships will coordinate information and resources to develop and implement effective, coordinated responses to workforce challenges that are common across employers.

A statewide institute is being planned for the spring of 2011 where facilitated sessions will be conducted. One objective of the institute is to educate leaders and managers on:

- What sectors are and are not
- How they impact results
- How to embrace and implement sector-based strategies regionally and locally

In line with the Sector Strategies initiative, the commonwealth is in the process of overhauling the Eligible Trainer Provider List (ETPL) process and eligibility criteria to reinforce priorities around high-demand occupations (as identified in the Sector Strategies initiative), sustainable wages and career ladder goals. The enhancements to the ETPL process will ensure the training dollars provided meet the needs of business and industry, provide a livable wage for workers and support the regional and state economy.

Labor market information will be one of the key components in the KWIB Rapid Response Redesign initiative. The commonwealth issued a request for proposal in 2011 to hire a consultant to assist in moving the Rapid Response system from a fundamental level of performance to an enhanced level of performance at both the state and local levels. The intent is to broaden the portfolio of services offered to the business community as well as foster a deeper relationship between economic development and workforce development professionals. The objective is to maximize the commonwealth's Rapid Response resources aligning them with economic development goals around business development resulting in a more proactive systemic approach compared to the current reactive response to business closings and layoffs.

As part of the request for proposal, Kentucky requested that the consultant conducts a literature review of the State Plan section that addresses Rapid Response, as well as state policies, rules and guidance, and training manuals that address Rapid Response. There are three objectives for the review.

- Assess overall dislocated worker training policy and WIA performance standards to determine what encourages and facilitates service to dislocated workers and what discourages services to dislocated workers,
- Determine what state policies, if any, discourage partnering with local organizations in service to dislocated workers.
- Review local WIB plans and converse with staff about experience in the regions.

The Economic Development Academy KWIB initiative will establish a one-day program to be conducted throughout the state designed to bring together local workforce investment board members, economic development authorities, local elected officials, and members of the general assembly representing the region. The purpose is to explore how they can collaborate to achieve community and statewide economic development goals by integrating a workforce system that serves as a tool for recruiting and expansion of business and industry and the quality jobs they bring. Citizens and businesses in Kentucky will benefit from opportunities to better leverage resources and align the workforce system to be responsive to the needs of local businesses and economic development prospects.

- E. What policies are in place to ensure that the resources available through the Federal and/or State apprenticeship programs and the Job Corps are fully integrated with the State's One-Stop delivery system? (§112)(b)(17)(A)(iv).)

The state does not have policies regarding the integration of apprenticeship programs and Job Corps within the state's one-stop delivery system. However, to ensure that every consumer has access to the full array of services, these programs are incorporated through local workforce investment area policies. Materials regarding registered apprenticeships and Job Corps are available in the One-Stop Career Center

Resource areas. Job Corps is a member of the Local Workforce Investment Board and/or serves on the youth council in several LWIAs.

Kentucky updated the veterans Transition Assistance Program (TAP) classes provided by the OET to include the Job Corps project information for Transitioning Service Members (TSMs) during briefings at Ft. Knox. The classes are conducted by the state's Jobs for Veterans State Grants (JVSG) staff. OET has assisted in providing information about the program by making referrals and distributing brochures about the project. OET staff recently toured the Earle C. Clements Job Corps Center in Morganfield, Ky., and met with the Job Corps personnel to discuss program benefits and ways to increase participation through outreach.

Realizing pre-apprenticeship can be a useful first step in acquiring skills by preparing workers for registered apprenticeships; Kentucky released a pre-Apprenticeship initiative request for proposals to the 10 LWIB in 2010. The goal of this initiative was to provide basic skills needed for registered apprenticeships and move unemployed adults into stable employment.

The target populations were low-income, non-working adults and/or dislocated workers, with special emphasis on minority and female participation. In response to the request for proposals, local boards were asked to provide information regarding potential challenges to effectively serving these populations and how these challenges would be resolved. The responding local boards described how they would integrate proven strategies for establishing skill standards, skills assessment, career counseling and individual pre-requisites for registered apprenticeships into their service strategies.

Through the Governor's Statewide Reserve funding, \$250,000 has been earmarked for a Pre-Apprenticeship Phase 2 initiative. These resources will build upon the initial investment and support the outcomes of the national Apprenticeship Action Clinic.

The Apprenticeship Sales Force initiative establishes a partnership to market the benefits of registered apprenticeships to Kentucky businesses. This initiative can be a tool for building a highly skilled workforce, helping business and industry increase their competitiveness, and providing sustainable wages for Kentuckians. The marketing opportunity must be understood and promoted by the business service representatives of each local board and become an integral part of the solutions-based business services model.

VII. Integration of One-Stop Service Delivery

Describe the actions the State has taken to ensure an integrated One-Stop service delivery system Statewide. (§§112(b)(14) and 121).)

- A. What State policies and procedures are in place to ensure the quality of service delivery through One-Stop Centers such as development of minimum guidelines for operating comprehensive One-Stop Centers, competencies for One-Stop Career Center staff or development of a certification process for One-Stop Centers? (§112(b)(14).)

Kentucky is building upon its policies and procedures to promote and instill quality in the service delivery of our one-stop centers and system as a whole. The following initiatives are being used to ensure a high quality of service delivery to customers.

- **Branding and Identity:** This is an initiative to infuse a cultural shift in the delivery of services offered to our employer and job seeking customers, as well as instill credibility within the economic development community. Our priority is to promote a consistent message that will infuse continuity in the delivery of all services offered within Kentucky's workforce system. In addition, the goals for the system branding are to create a sense of value and promote a heightened level of professionalism and customer service.
- **One-Stop Certification Process:** This initiative is designed to build continuity and consistency in the delivery of services in the one-stop centers. Partnerships, common forms, and a truly integrated approach to serving the employer and job seeking population is the emphasis of this strategy.
- **High Performing Workforce Investment Boards:** This initiative will develop an assessment tool that will be utilized by peers of Workforce Investment Board directors and state agency staff. The process will review strategic plans, assess the impact of policies and procedures, engage board members as opposed to board staff in making strategic decisions that impact communities and play a vital role in enhancing economic development initiatives.
- **Partner for Success:** This initiative will bring together management and front-line staff from within and throughout the workforce development system. This strategy will infuse a holistic approach to services through an integrated approach towards trainings, networking opportunities and nurturing an awareness of the array of services that partner agencies offer. This initiative also will identify gaps in service and duplications of system offerings.
- **Workforce Academy:** This "train the trainer" approach to workforce activities will promote a consistent training atmosphere that will infuse an

increase of knowledge throughout the workforce system and across partner agencies. On-line trainings and a certification process will instill value in the work that is done to serve employers and job seeking customers.

- **Case Management Trainings:** This initiative will complement our One-Stop Certification process by sharing common assessments, developing and coordinating common referrals processes and creating a common triage tool that will promote integration and a concerted effort towards effectively serving our customers.
- **One-Stop Management Teams:** Efforts will be made to encourage each local workforce region to coordinate and facilitate one-stop management teams, share successes, develop strategies to promote integration, identify cost sharing opportunities, incorporate functional supervision opportunities and promote a continual growth within the one-stop system.

B. What policies or guidance has the State issued to support maximum integration of service delivery through the One-Stop delivery system for both business customers and individual customers? (§112(b)(14).)

State leadership has coordinated and facilitated and will continue to promote an integrated system. This includes all mandated and non-mandated partners that can contribute towards a holistic approach that moves all customers towards a positive path and instills communication and trust among partners within the system.

Policies have been and will continue to be identified to support local, regional and statewide integration. Such plans include:

- **Cost allocation plans:** Align Memorandums of Understanding (MOU) and Resource Sharing agreements (RSA) that have been developed and are executed within each region. The cost allocation plan will also promote buy-in from each partner agency and promote a higher level of participation and commitment.
- **Memorandum of Understanding:** MOUs will be developed that are consistent and specifically outline the responsibilities of each participating partners and the resources that each has to offer the system.
- **Partner Coordination of Services:** Many of Kentucky's initiatives promote coordination of services that will eliminate duplication of services and streamline positive outcomes and overall performance. As previously stated, initiatives include common assessments, referrals processes, triage tools and

orientations for customers to learn of the holistic offerings of the one-stop system.

- **National Career Readiness Certificate (NCRC):** This is a nationally recognized credential that is portable and that creates an opportunity for a higher skilled job seeker and higher quality referral for our business customer. This effort combines multiple partner agencies in the proctoring, profiling and outreach efforts to promote the value of this credential. The NCRC process creates an additional tool for our business services unit to further engage business and promote our one-stop system.
- **Rapid Response Redesign:** This effort will create a pro-active, solutions-based approach to the services offered to the business community. This initiative will promote a coordinated effort towards service delivery in a strategic manner. A Request for Proposals was issued in 2011 to enlist a consultant to assist in moving the Rapid Response system from a fundamental to an enhanced level at both the state and local levels. The objective is to maximize Rapid Response resources by aligning them with economic development goals around business development.

One approach under consideration is that each partner agency that represents the business services team will designate a sector in which they will perform outreach efforts towards, while receiving trainings related to that industry or sector. This would promote a concerted effort to not duplicate efforts, increase integrity within our profession, ability to speak business language and engrain thoughtful and strategic measures to meet the needs of business.

- **Strategic Plan Development:** Each mandated partner within the workforce delivery system will develop individual strategic plans that will complement the overall state plan and instill a collaborative approach towards the common goal of efficient and effective services to both business and job seeking customers.

C. What actions has the State taken to promote identifying One-Stop infrastructure costs and developing models or strategies for local use that support integration? (§112(b)(14).)

One-stop infrastructure costs are identified in each local area/region in the development of the Memorandum of Understanding (MOU) and Resource Sharing Agreement (RSA) among partners. State leadership has met with Real Properties in the Finance Cabinet, the decision-making agency responsible for state properties, and the Education and Workforce Development Cabinet's facility management staff to determine true and reasonable costs of operating one-stop facilities.

Local areas are continuously seeking opportunities to integrate the services of one-stop partners through co-locating partners at shared facilities. Part of the evaluation

criteria of any new lease space is the integration and inclusion of one-stop partners in the decision process. Likewise, input from partners is obtained when planning any renovation of existing facilities to ensure it meets the integration threshold. This strategy promotes buy-in of partners and ensures that customers are served in a comprehensive setting and increases efforts to meet their needs and improves the success rate of programs offered by the one-stop partners. In addition to providing the customer with a seamless delivery system, efficiency in the expenditure of resources by the participating partners is also achieved.

As an example, co-locating allows partners to share in the cost of common areas in the one-stop facility, such as reception areas, computer labs, and training and conference rooms. Integrated one-stop facilities also minimize the expense of support personnel including receptionists, resource room support personnel, janitorial services and technical support. Efficiencies are also achieved through the elimination of duplicate equipment and supplies needed to provide services such as copiers, computers, office supplies and building maintenance.

A recent example of this strategy is the relocation of the Hazard OET local office in the new EKCEP One-Stop facility. Future integration opportunities being considered include: Morehead OET/**TENCO**, Covington OET/**Northern Kentucky**, Owensboro OET/**Green River**, Elizabethtown OET/**Lincoln Trail** and Louisville (Preston Highway) OET/**KentuckianaWorks**.

- D. How does the State use the funds reserved for Statewide activities pursuant to (§§129(b)(2)(B) and 134(a)(2)(B)(v).) to assist in the establishment and operation of One-Stop delivery systems? (§112(b)(14).)

Statewide Reserve Funds are used to support innovative local and regional projects that enhance the quality of one-stop delivery services and systems. Strategic designation of use of funds has been established based on the priorities of the KWIB. Short-term and long-term investment planning is in place that target specific dollar amounts and utilization and expectations for the following:

Short-term Investments

- state innovation funds
- local innovation funds
- performance incentive fund
- outreach
- workforce academy
- high school outreach
- Rapid Response redesign
- Pre-Apprenticeship Phase 2

Long-Term Investments

- One-Stop Certification
- Sector Strategies Development
- GED Express
- Work Ready Communities
- Economic Development Academy
- Workforce Development Academy
- High Performing Workforce Investment Boards

- E. How does the State ensure the full array of services and staff in the One-Stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)

Several KWIB initiatives are in place that address and support services and staff involvement in delivering a full array of services in a holistic manner. These initiatives will promote a business and job seeker focused approach that is solutions based and customer service driven. These include the following programs.

- **High Performing Workforce Investment Boards:** This initiative as mentioned previously will develop an assessment tool that will be utilized by peers of Workforce Investment Board directors and state agency staff. The process will review strategic plans, assess impact of policies and procedures, engage board members as opposed to board staff in making strategic decisions that impact communities and play a vital role towards enhancing economic development initiatives.
- **Workforce Academy:** As mentioned previously the academy will instill a “train the trainer” approach to workforce activities will promote a consistent training atmosphere that will infuse an increase of knowledge throughout the workforce system and across partner agencies. Online trainings and a certification process will instill value in the work that is done to serve employers and job seeking customers. In addition, this effort will develop benchmark criteria and baseline standards for consistency within the system.
- **Outreach Initiative:** Once the branding strategy is in force, it will solidify the goal to create a simple, user-friendly workforce system. This consistent identity will promote a cultural shift in the system that will be driven by a sense of urgency, a higher level of professionalism, service “without walls” and a new standard of value among staff and for the services that are offered to businesses, job seekers and the community as a whole.

- **Unemployment Insurance Customer Service Plan:** This initiative is part of the OET cultural shift. Operating and believing that OET is one agency with various responsibilities, as opposed to separate employees that happen to work for the same agency is critical to engaging the business sector, as well as increasing the success rate of re-employing dislocated job seekers.

The unemployment insurance customer service plan includes the following strategies.

Short-Term Strategies

- implement direct deposit,
- increase resources dedicated to the help desk,
- triage process addressing e-mails to the help desk and calls to the local offices,
- conduct programmatic training and follow-up customer service training,
- conduct focus groups to review forms and make them user/reader friendly, and
- create awareness among local groups such as SHRH and Chambers of Commerce to share message with business community.

Long-term Strategies

- Create accounts for customers so they can use self-service functions and assess account information.
- Expand the unemployment insurance (UI) call center and online services so customers can perform basic UI functions such as locate checks, reissue checks and reset their PIN.
- Automate the UI appeals and tax processes to reduce manual and time-intensive work to electronic processes.

VIII. Administration and Oversight of Local Workforce Investment System

A. Local Area Designations

1. Identify the State's designated local workforce investment areas and the date of the most recent area designation, including whether the State is currently re-designating local areas. (§112(b)(5).)

Kentucky's 10 local workforce investment areas are:

- Barren River,
- Bluegrass,
- Cumberlands,
- Eastern Kentucky Concentrated Employment Program Inc. (EKCEP),
- Green River,
- Greater Louisville,
- Lincoln Trail,
- Northern Kentucky,
- Purchase/Pennyrile and
- TENCO.

The most recent area designation was Greater Louisville in 2002. The original designation of the City of Louisville/Jefferson County and the North Central Kentucky Workforce Investment Area as two areas was changed in early 2001, forming a single area. The state currently has no plans to change the designation of the existing 10 local workforce investment areas.

2. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, post-secondary education institutions and area career and technical schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5) and 116(a)(1).)

The KWIB, pursuant to Section 116(a)(4), reviewed recommendations and requests for designation as workforce investment areas from a number of entities including the 11 service delivery area designees under the Job Training Partnership Act, area development district boundaries, legislative/congressional district boundaries, community college districts and 15 areas known as labor market information areas designated under a one-stop implementation grant. After discussions with appropriate local elected officials and completion of the public comment process, the state board recommended to the Governor that the current service delivery areas be designated as the original 11 (now 10) workforce investment areas. The board acknowledged the automatic designation of one rural concentrated employment program as a workforce

investment area. The boundaries were drawn based on common geographic and economic factors and duplicate the state's labor market areas.

3. Describe the appeals process used by the State to hear appeals of local area designations referred to in §§112 (b)(5) and 116(a)(5).

A unit of general local government or grant recipient that requests, but is not granted designation as a local area under paragraph (2) or (3) of Section 116 (a), may appeal to the KWIB. The board may prescribe forms and applicable time frames. Appeals shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes. A unit of general local government or grant recipient that is dissatisfied with the decision of the KWIB may request a review by the USDOL secretary pursuant to Section 116 (a) of the act.

- B. Local Workforce Investment Boards -- Identify the criteria the State has established to be used by the chief elected official(s) in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6) and 117(b).)

KWIB adopted guidelines on June 9, 1999, pursuant to Section 117 of the Workforce Investment Act. The guidelines stated that the chief elected official of each designated workforce investment area is charged with appointing the membership of the local board.

The guidelines, per WIA Guidance Memo #03B, issued June 23, 1999, to chief elected officials and local workforce investment area administrators, provided the following direction to the LWIBs:

- multiple units of local government in an area,
- composition of the LWIB (i.e., representatives of business, representatives of local educational entities),
- special provisions (i.e., quorum requirements, business must comprise 51 percent of the LWIB membership),
- nomination procedures (i.e., the chief elected official is authorized to appoint the members of the LWIB after the formal nomination procedures),
- certification requirements (i.e., the Governor shall, once every two years, certify one local board from each LWIA), and
- board chair election (i.e., the local board shall elect a chairperson from among the representatives of business).

From time to time, the state has been called upon to respond to special inquiries made on behalf of LWIBs. For example, the state was asked to define and clarify the local board quorum requirement (WIA Guidance Memo #33, issued October 9, 2000). Similarly, the state was asked to consider circumstances of a potential conflict of

interest. As a result, the state issued WIA Guidance Memo #61 (July 25, 2002) stating that a LWIB may not allow a member to simultaneously represent more than one category. The state maintained that prohibiting this practice would ensure "...the required mix of representation from various partners that was intended in the statute." WIA Guidance Memo #02 (May 28, 1999) clarified that the Department for the Blind and the Department of Vocational Rehabilitation were each "sole state agencies," and as such, local boards may have either or both as members. WIA Guidance Memo #98 (July 11, 2005) answered two questions about business and labor representation on local boards.

- C. How will the State build the capacity of Local Boards to develop and manage high performing local workforce investment system? (§§111(d)(2) and 112(b)(14).)

The current KWIB strategic plan includes the High Performing Workforce Investment Boards initiative. This project is designed to assure the effectiveness of LWIBs and enhance the strategic nature of these boards. A consultant will provide an initial high-performance analysis. A technical assistance and recognition program will be developed based on the assessment. The goals established for a High Performing WIB are: 1) Working Strategically-WIBs have a clear strategic direction; 2) Developing and Managing Resources-WIBs effectively and efficiently manage assets in the community; and, 3) Managing the work of the Board-WIBs have a strong and engaged Board that drives the mission and implementation steps. On-site reviews were completed in the spring of 2011.

Local boards are in direct control of a large percentage of the workforce investment resources, assuring that they are active and engaged in assuring the desired return on investment will help realize the commonwealth's vision. The January 2011 KWIB Status Implementation Report indicates this project is 33 percent complete.

A portion of incentive funds are awarded for local board development and training on performance management, contracting and business services.

- D. Local Planning Process -- Describe the State mandated requirements for local workforce areas' strategic planning. What assistance does the State provide to local areas to facilitate this process, (112(b)(2) and 20 CFR 661.350(a)(13).) including:

1. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements?

A collaborative process is currently underway to redesign the local plan process to support the KWIB Strategic Plan. State and local agencies along with local WIB staff are participating in the implementation of the new process.

2. How does the local plan approval process ensure that local plans are consistent with State performance goals and State strategic direction?

OET and KWIB staff will provide local plan guidelines consistent with the development of the State Plan that includes the pertinent over-arching visions for implementation at the local level. These guidelines will include integrated strategies to meet the goals of the Governor, which include: aligning the commonwealth's workforce development system with Kentucky's education objectives and economic development strategies, simplifying the workforce service delivery system, and improving service to achieve a customer-centered delivery system. This overall direction will be documented in a revised local area plan, which will be due from each area on or before a specified date.

Regional Planning (§§112(b)(2) and 116(c).)

1. Describe any intra-State or inter-State regions and their corresponding performance measures.

Kentucky has not formally created either intra-state or inter-state regions, as specified in the Workforce Investment Act. However, several workforce investment areas have participated in certain efforts to share important information and work together. In addition, there are examples of regional partnerships that support services to both job seekers and businesses. An example is the Workforce Innovation Regional Economic Development (WIRED) I-65 Corridor initiative that involved the Lincoln Trail, Cumberlands, and KentuckianaWorks areas. Additionally, the Cumberlands and Lincoln Trail areas partnered to operate the Prescription for Success, a healthcare initiative funded through the statewide reserve funds. Other initiatives include the Northern KY Regional Innovation Grant (RIG) that involves workforce areas in both Ohio and Indiana and the Advantage Valley RIG operated out of West Virginia and includes areas in Kentucky and Ohio.

To further develop regional economies, many of Kentucky's workforce investment areas are collaborating with areas in Tennessee, Indiana, Ohio and other adjoining states. Such collaboration affords talent development and integration with regional economic development. These partnerships will drive economic transformation in regions and improve employment and advancement opportunities for workers.

2. Include a discussion of the purpose of these designations and the activities (such as regional planning, information sharing and/or coordination activities) that will occur to help improve performance. For example, regional planning efforts could result in the sharing of labor market information or in the coordination of transportation and support services across the boundaries of local areas.

As part of the local planning process and formation of strategies, the local workforce board staffs are required to review regional characteristics to determine common elements and initiatives. Local areas plan guidelines will instruct local boards to capture regional structures and activities centered on regional industry partnerships and to support their training needs.

A best regional practice was implemented in the Northern Kentucky Workforce Investment Area (NKWIA). NKWIA is located in a tri-state region including northern Kentucky, southwestern Ohio and southeastern Indiana. Within this tri-state area, five local one-stop operators formed a regional cooperative. The purpose of the cooperative is to make sure that the entities in the region are aware of issues and activities within their LWIAs. This is needed because the economic activity of each of the areas is inter-related. Residents of Kentucky work in Ohio. Indiana companies hire residents of Ohio. The Northern Kentucky/Greater Cincinnati International Airport has a great affect on the economy of each of the states.

The cooperative meeting agenda provides time for each operator to report on its own local activity and progress. There is discussion on issues arising locally, out of state activity, and developments in Washington. The meetings rotate among the operators so that different one-stop sites can be toured and best practices can be observed.

3. For inter-State regions (if applicable), describe the roles of the respective Governors and State and local Boards.

No formal governors' agreements exist. However, the KWIB has endorsed the Northern KY inter-state region with Ohio and Indiana. Officials in Ohio and Indiana are currently working on completing their part of the inter-state region process.

The NKWIB was awarded a Regional Innovation Grant (RIG) from the USDOL to work in partnership with Indiana and Ohio workforce investment boards to solidify coordination of the regional public workforce system to better meet the needs of employers in this inter-state region. Periodically, local areas in west Kentucky and Tennessee will enter into agreements for special projects or joint ventures that assist soldiers and civilians at the Fort Campbell Army facility.

Plans are being made to form a partnership to include the Kentucky and Tennessee directors of the Veterans Employment and Training Services (DVETs), local workforce investment boards, OET regional administrators and personnel from the Ft. Campbell garrison in order to provide services to Transitioning Service Members (TSMs). The goal is to provide staffing on a full-time basis to assist TSMs in transferring military skills and experience to the civilian labor force. Early assessment and development of an individual employment plan will ease their return to the labor force and civilian life. OET regional managers will initiate the partnership along with assistance from the Kentucky DVET.

E. Allocation Formulas (112(b)(12).)

1. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to §§128(b)(3)(B) and 133(b)(3)(B).

WIA Title I funds are allocated on the basis of the prescribed formula and methodology from the USDOL. The formula is one-third based on the relative number of unemployed people, one-third on the relative excess number of unemployed individuals, and one-third on the relative number of disadvantaged individuals compared to the total number of each in all states.

The funds allocated to the local areas for youth activities and adult training and employment activities will be based on the formulas specified in Section 128 (b) (2) (A) (I) and 133 (b) (2) (A) (I) respectively. The two additional discretionary factors specified in 128 (b) (3) and 133 (b) (3) will not be used. As the local areas have not changed, the state intends to enact a “hold harmless” provision in which each area receives at least 90 percent of the allocation percentage of the local area for the preceding fiscal years, if allowed by WIA regulation following reauthorization.

The Governor will allocate to the local workforce investment areas 85 percent of the Section 127 youth funds. Five percent will be used for statewide administration, and 10 percent will be reserved to carry out statewide youth, adult and dislocated worker activities specified in the act.

The Governor will allocate to the local workforce investment areas 85 percent of the Section 133 adult employment and training funds. Five percent will be used for statewide administration, and 10 percent will be reserved to conduct statewide youth, adult and dislocated worker activities specified in the act.

The Governor may elect to adjust the allocation percentages stated.

2. Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis.

The state enacts a “hold harmless” provision for youth and adult allocations in which each area receives at least 90 percent of the allocation percentage of the local area for the two preceding years. This ensures that each LWIA will not experience a significant shift in funding levels on a year-to-year basis.

3. Describe the State’s allocation formula for dislocated worker funds under §133(b)(2)(B).

The Governor will allocate to the local workforce investment areas at least 60 percent of Section 133 dislocated worker funds. Up to 25 percent will be reserved for statewide rapid response activities, 5 percent for statewide administration, and up to 10 percent for statewide adult, youth, and dislocated worker activities specified in the act.

Ninety percent of the funds for the local areas will be allocated in the following manner:

- 30 percent based on unemployment insurance data,
- 40 percent based on unemployment concentrations,
- 2 percent based on plant mass layoffs,
- 13.5 percent based on declining industries,
- .5 percent based on farmer-rancher economic hardship data,
- 14 percent based on long-term unemployment, and
- the remaining 10 percent of the funds will be allocated 60 percent based on unemployment concentrations and 40 percent based on declining industries.

The Governor may elect to adjust the allocation percentages stated.

4. Describe how the individuals and entities on the State Board were involved in the development of the methods and factors, and how the State consulted with chief elected officials in local areas throughout the State in determining such distribution.

The standard formula allocation method for distribution of adult and youth funds does not require input by the state board, chief elected officials or local boards. Since the implementation of WIA, both the state board and local boards have had opportunities to comment on the formula distributions, and in the future may make recommendations to the Governor to adjust the manner in which the allocations are distributed to the local areas.

F. Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)

1. Identify the policies and procedures, to be applied by local areas, for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities.

The ETPL Enhancement KWIB Initiative will revamp the process and eligibility criteria to reinforce priorities around high demand occupations, sustainable wages and career ladder goals. Currently, applications are submitted to the local board and must include the following:

- demonstrated ability to provide training,
- faculty or instructional staff qualifications,
- course, service or curriculum description,
- credentials awarded,
- tuition and fee requirements,
- licensure by appropriate state agency, if applicable,
- accreditation by recognized agencies, if appropriate,

- an appropriate portion of the performance information, and
- assurances and certifications required by federal law or the state.

Applications will be evaluated according to the following criteria:

- match between skills needed by employers and the education or training provided by the applicant,
- ability to provide educational and training programs needed in local areas,
- proven ability to provide the specified training, for example a community-based organization (CBO) or other agency,
- licensure pass rate, if appropriate,
- licensure by the appropriate state agency to operate, if applicable,
- accreditation by recognized agencies, if appropriate,
- performance and cost information, if applicable, and
- strong ties to economically disadvantaged community.

The local board must approve or deny each application, and notify all applicants. When the LWIB denies an application, the notification to the applicant must include the reasons for denial.

The local board will submit to the cabinet a listing for each provider placed on the local eligible training provider list, including the performance and program cost information. The cabinet may remove the provider from the list if it does not meet the minimum acceptable level of established performance.

2. Describe how the State solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.

OET communicated with local boards, eligible training providers (ETP) coordinators, or ETP leads and training providers through e-mail correspondence, phone conversations and quarterly meetings.

Issues were discussed and relevant information was exchanged. Information was solicited from representatives of LWIBs, comprised of business and labor organizations. Designated lead staff worked with providers to establish and maintain WIA eligibility. Leads were able to take into consideration the recommendations from boards, providers and public stakeholders as the initial procedures were developed.

Kentucky must ensure training dollars meet the needs of business and industry, provide a livable wage for workers and support the regional and state economy. A

work plan to accomplish these goals through the eligible training providers list (ETPL) Enhancement KWIB Initiative has been developed. New policies are being developed and stakeholders will provide input into state and local processes that will be implemented to support the policies.

3. Describe how the State will update and expand the State's eligible training provider list to ensure it has the most current list of providers to meet the training needs of customers.

The criteria for approval as an eligible training provider will be structured to support high-demand occupations, sustainable wages and career ladder goals. Training providers will be selected to meet the needs of business and industry, provide training to earn a livable wage to workers and support the regional and state economy.

To meet the needs of both the individual and employer customers, providers must be selected based on state, regional and local needs. Local boards will be encouraged to increase emphasis on the evaluation of training providers and to select those that offer training that leads to credentials that are more valuable to both the individual and the employer and that offer pathways for career advancement. The credential attainment rate of participants for each provider will be tracked, as well as the occupation of the participant following training completion. Local boards will use this information to evaluate provider performance.

This emphasis is to support the Secretary of Labor's High Priority Performance Goal to increase credential attainment by participants of the public workforce system and improve the quality of the credential. Efforts will focus on credentialing to support new and growing sectors of the economy, including alternative energy and other "green" industries, health care, and advanced manufacturing; however other sectors requiring a skilled labor force are also important in regional economies.

The local board shall submit to the cabinet a listing for each provider placed on the local ETPL, including the performance and program cost information. The cabinet may remove the provider from the list if it does not meet the minimum acceptable level of performance.

The KWIB Strategic Plan's Sector Strategies as well as the Eligible Training Provider Enhancements initiatives provide for eligible training provider list enhancements. The proposed enhancements will overhaul the eligible training provider list process and eligibility criteria to reinforce priorities around high-demand occupations, sustainable wages, and industry recognized credentials and career ladder goals.

4. Describe the procedures the Governor has established for providers of training services to appeal a denial of eligibility by the local board or the designated State agency, a termination of eligibility or other action by the board or agency, or a denial of eligibility by a One-Stop operator. Such procedures must include the opportunity for a hearing and time limits to ensure prompt resolution.

The local boards developed informal resolution procedures for disputes concerning eligible provider status. Training providers have a right to appeal a local or state decision denying them eligibility for participation on the local and state list of eligible training providers. Appeals of an informal decision at the local level regarding a grievance shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes.

The Commonwealth of Kentucky has a waiver (and has requested continuation) in regard to subsequent eligible training provider requirements, 18-month subsequent eligibility requirement. Therefore, the state has not established procedures for termination of eligibility as a training provider but plans to implement procedures for termination.

An eligible training provider that is terminated from the list of providers will be notified in writing of the action to terminate, and the cause for the termination. The termination letter will also inform them of the process to appeal the action.

5. Describe the competitive and non-competitive processes that will be used at the State level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)

Kentucky prescribed and implemented procurement standards in accordance with Section 184(a)(3) of the Workforce Investment Act. Section 184(a)(3) requires states, local areas and providers receiving funds under this act to comply with the Uniform Administrative Requirements as promulgated in circulars or rules by the Office of Management and Budget. The Uniform Administrative Requirements, codified by the US DOL in 29 CFR Part 97, provides the standards and procedures for procurement of goods and services in Section 97.36, *Procurement*.

Realizing the critical need for information technology resources, the commonwealth established the Strategic Alliance Services (SAS) Contracts Request for Proposal. This is the commonwealth's initiative to expedite, simplify and facilitate solution building and to provide negotiation flexibility in how the executive branch cabinets procure services for information technology. The SAS contract will permit access to 15 state price contracts for information technology project services from private sector companies through a just-in-time delivery system.

The administrative regulation 29 CFR 97.36(a), reads as follows: "When procuring property and services under a grant, a state will follow the same policies and procedures it uses for procurements from its non-federal funds." The Commonwealth of Kentucky uses the provisions of the *Kentucky Model Procurement Code* [Kentucky Revised Statutes (KRS), Chapter 45A] for the procurement of all goods and services by state agencies. The methods for awarding contracts are contained within the Model Procurement Code and include:

- competitive sealed bidding (KRS 45A.080),
- competitive negotiation (KRS 45A.085 and 45A.090),
- noncompetitive negotiation (KRS 45A.095),
- small purchase procedures (KRS 45A.100), and
- responsibilities of bidders and offerors (KRS 45A.110).

When the state workforce agencies issue requests for proposals (RFP), prior approval must be granted by the commonwealth's Finance Cabinet. The RFPs are posted on the commonwealth's eprocurement website for at least 10 days. Any eligible vendor licensed to do business in Kentucky may submit proposals. Proposal scoring criteria is stated in the RFP and is scored by a preselected review committee.

6. Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)

Local workforce investment boards determine types of youth services needed based on youth population demographics and skill gap analysis. When service needs are identified, local procurement guidelines are followed to award grants and contracts. Contracts are written within criterion built to ascertain the effectiveness of programs. Programs also are monitored on a continuous basis for performance.

Local workforce investment areas ensure the availability of the required 10 WIA youth program elements and the provision services on an as-needed basis. Other avenues of youth service are being explored in several local workforce investment areas.

One LWIA determined the most efficient way to provide youth service was through the one-stop system instead of awarding contracts to program providers. A youth case manager will assist in connecting youth to needed services provided by the one-stop system, as well as through a referral network of local service providers. Another LWIA, through skill gap analysis, determined the most effective use of WIA youth funds is to provide specific work readiness and occupational skills services only. There were sufficient services already available to provide basic skills related services.

G. One-Stop Policies (§112(D)(14).)

1. Describe how the services provided by each of the required and optional One-Stop partners will be coordinated and made available through the One-Stop system. Include how the State will consolidate Wagner-Peyser funds to avoid duplication of core services. (§112(b)(8)(A).)

Kentucky involves all WIA mandated partners described in 20 CFR 662.200. WIA requirements and state policies drive collaboration and coordination efforts. Roles and responsibilities are formalized through the development of the local Memorandum of Understanding.

The Kentucky Department for Workforce Investment administers the Office of Vocational Rehabilitation, Office of Employment and Training, Office for the Blind and the Office of Career and Technical Education and their respective workforce programs, and maintains inter-agency collaboration to further enhance coordination between programs. For WIA and Wagner-Peyser programs, the OET ensures that all policy directives to local partners and staff encourage integrated service delivery. This ensures high-level, non-duplicative services to customers. One-stop partners are provided access to EKOS, the shared case management and reporting application, upon execution of an Exchange of Information Agreement (EIA).

Wagner-Peyser's role in the system is coordinated by the new regional administrators that were placed in regions corresponding with the local workforce investment areas. Wagner-Peyser priorities include the key high-growth business sectors and jobs that offer benefits and higher wages. Regional administrators improve service delivery by encouraging better alignment and integration with the WIA state planning process and other one-stop programs, improving management of Wagner-Peyser services and helping regions avoid duplication of services.

Kentucky's local workforce investment areas have been granted authority and flexibility to determine how and to what level the optional partners are integrated into the state's comprehensive one-stop facilities.

Many of the required partners have full-time representatives housed in the one-stop centers. Staff members are integrated into operations and are available to serve customers. In other areas, partners maintain a part-time physical schedule and are referred to as an itinerant partner. In addition, other partners are electronically linked. This is determined by customer service demand, geographic distance (due to Kentucky's rural demographics), and availability of space and resources.

KWIB's strategic plan, adopted in May 2010, includes several initiatives for system transformation. These action steps include projects for Branding and Identity and a One-Stop Certification Process. Additionally, the Case Management and the Partner for Success initiatives outcomes will identify areas of common services and complementary services.

2. Describe how the State helps local areas identify areas needing improvement and how technical assistance will be provided.

OET helps local areas identify needed improvements through on-site monitoring, internal management reports and performance measures results. Technical assistance

is provided as needed to address performance deficiencies and to advance the knowledge and skills of local staff responsible for the delivery of program services. Site or area specific issues are brought to the attention of the local area and dealt with on an individual training basis, while multi-site issues will be addressed through group training.

Through the Workforce Academy KWIB initiative, training programs will be developed to address:

- workforce system orientation,
 - workforce programs,
 - management,
 - media relations,
 - case management,
 - career counseling, and
 - partner cross-training.
3. Identify any additional State mandated One-Stop partners (such as TANF or Food Stamp Employment and Training) and how their programs and services are integrated into the One-Stop Career Centers.

The Temporary Assistance for Needy Families (TANF) program is provided by the Kentucky Cabinet for Health and Family Services (CHFS) and is an optional partner in Kentucky's one-stops. A few of the county TANF offices are physically located in the one-stops and are either full or itinerant staffed. The level of integration varies by the local area and the one-stop. CHFS and the Education and Workforce Development Cabinet formed a successful partnership for the statewide project that provided the American Recovery and Reinvestment Act (ARRA) TANF Emergency funded subsidized employment program, WorkNow Kentucky. The partnership is expected to continue for other collaborative efforts to provide services and opportunities for mutual customers. Both agencies' personnel are cross-trained on basic services and make appropriate referrals. Discussions are currently underway regarding work-support strategies around the state. Furthermore, representatives from Community Based Services, an agency under CHFS, serve on the One-Stop Certification team.

Kentucky currently has no additional state mandated one-stop partners. The state maintains that local areas can best determine their own needs regarding additional partners. The availability of agencies that are equipped to provide compatible one-stop services varies greatly across Kentucky. Urban and local populations and resources dictate need and availability of service providers. To meet the needs of employers and job seekers, many local areas create strong linkages with other agencies. They focus their attention and efforts at bringing in partners who will embrace the goals and visions established by the one-stop system.

These linkages can best be illustrated by rural counties that are making large commitments by covering the basic costs associated with establishing and operating satellite one-stop centers. Local boards serving rural counties operate satellite centers that provide labor exchange services and information/referral to other agencies.

KWIB initiatives addressing one-stop partnerships include:

- Branding and Identity,
- One-Stop Certification,
- National Career Readiness Certificates,
- Rapid Response Redesign,
- Partner for Success, and
- High Performing Workforce Boards.

H. Oversight/Monitoring Process -- Describe the monitoring and oversight criteria and procedures the State utilizes to move the system toward the State's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)

The commonwealth is committed to ensuring that local boards are responsible stewards of state and federal dollars. The oversight and monitoring process includes reviews of all state and federal programs operated through the Kentucky one-stop system, the local workforce investment board management structures, utilization of EKOS, and actual performance. Based on the results of the reviews, monitoring efforts, and the annual Data Element Validation, technical assistance needs are identified and provided to achieve the commonwealth's vision and goals focusing on continuous improvement of the services provided through the one-stop system.

Monitoring begins with an annual on-site compliance visit to the local one-stop centers and each WIA administration office to ensure compliance with the parameters established by the Workforce Investment Act; Trade Act of 2002, as amended; federal regulations; and OET guidance letters. The visits provide oversight for adherence to the approved state plan, local plans and OET policies and procedures to ensure quality services to job seekers and employers. Monitors verify entry of data into EKOS, provision of accurate eligibility determination, maintenance of required supporting case file documentation, appropriate expenditures and priority of service for veterans.

The state provides a copy of the compliance review tool to each entity at the beginning of the program year along with a complete compliance review schedule. Prior to the compliance review date, the local one-stop center and local board are requested to review the compliance review tool and provide answers to each question to identify problems, discrepancies and potential issues.

A preliminary determination report is issued by the team within 45 days following the conclusion of the on-site visit to give an opportunity for the local board to respond to findings and institute a corrective action. Following the 30-day response period, the monitoring team reviews the response for the required measure of compliance.

The monitoring team issues an initial determination specifying findings with any unsatisfactory resolution. If all issues are answered in a satisfactory manner a final report is issued. Following issuance of the initial determination, the one-stop or local board receives another 30-day response period to provide any remaining documentation and/or statements of corrective action.

The final determination issued by OET states any unresolved issues and advises the one-stop center or local board of the subsequent resolution process. A follow-up visit is conducted, if necessary, to verify that corrective actions and recommendations from the compliance team have been acted upon by the reviewed party.

Technical assistance, training efforts and policies are then produced in accordance to needs and issues identified during the monitoring process.

The cabinet procured the services of HeiTech Services, Inc. to evaluate and assess the state's current monitoring policies, procedures and training, and to provide technical assistance and training based on its evaluation. Services include:

- reviewing current policies, practices, tools and training,
- providing an action plan detailing recommendations for process improvements,
- creating a monitoring template and supplemental guides,
- devising or revising existing monitoring guidelines and policies,
- establishing a training plan for state and local monitoring staff, and
- providing training to state and local monitoring staff.

Other OET oversight and support activities are provided on an ongoing basis and include:

- attending local board meetings, one-stop visits and partner meetings,
- reviewing and approving of local plans,
- certificating/recertifying local board member nomination,
- providing technical assistance to local boards,
- reviewing local WIA expenditure levels,
- reviewing local board performance outcomes,
- assisting annual renegotiation of performance measures,
- participating in DOL local monitoring visits, and
- reviewing and approving corrective action plans if required.

Beyond ongoing fiscal oversight, OET conducts monitoring of each local board's administrative controls and procurement practices. This includes cost allocation, sub-contracts, single audit, local policies and controls, direct labor and costs, and fiscal reporting practices. Reviews may be on-site or desk top. The cabinet's Equal Opportunity officer provides ongoing civil rights oversight of the local boards.

OET also conducts monitoring of the TAA program and the National Emergency Grants (NEG). Monitors ensure that TAA and NEG are appropriately interacting with WIA Dislocated Worker Formula grants. Items monitored include service delivery, number of participants served and placed, and performance outcomes. NEG grants are monitored 90 days after start up and again at six months. Reports are completed and shared with the Workforce Programs Branch and local boards.

Data element validation is conducted annually, utilizing specified forms and software provided by the USDOL.

- I. Grievance Procedures. (§§122(g) and 181(cc).) Attach a copy of the State's grievance procedures for participants and other affected parties (including service providers.)

See Attachment D.

- J. Describe the following State policies or procedures that have been developed to facilitate effective local workforce investment systems (§§112(b)(17)(A) and 112(b)(2).)

1. State guidelines for the selection of One-Stop providers by Local Boards;

Kentucky requires local areas to select providers including one-stop operators (public and private) by competitive process. The state requires safe guards against conflict of interest, and a description of the scope of services.

2. Procedures to resolve impasse situations at the local level in developing memoranda of understanding (MOUs) to ensure full participation of all required partners in the One-Stop delivery system;

Kentucky has no formal resolution procedures in place; however, with the majority of the required partner services housed under the Education and Workforce Development Cabinet, Department of Workforce Investment, an informal dispute resolution would occur at the cabinet level and through the state board.

Kentucky will issue a directive that reminds local workforce investment areas and their required one-stop partners of their responsibility in the event of non-signature of a MOU, to inform the OET and the KWIB. The directive also will address the sanctions provided in the WIA regulations for failure to execute a MOU. The state will ensure that future impasse notifications are conveyed to USDOL and other

appropriate federal agencies.

3. Criteria by which the State will determine if local Boards can run programs in-house;

Kentucky does not permit local boards to directly provide core services or intensive services, or be designated or certified as a one-stop operator unless agreed to by the chief elected official and the Governor. A local board is prohibited from providing training services unless the Governor grants a waiver in accordance with the provisions in WIA section 117(f)(1). Documentation must support evidence that there are an insufficient number of eligible providers of the program in the local area and information demonstrating the local board meets the requirements to provide services.

4. Performance information that on-the-job training and customized training providers must provide;

Providers of on-the-job training (OJT) and customized training are required to track and provide the same data that are required for all WIA participants and programs. Under Kentucky's current OJT NEG, monthly status reports that include participant name, company name, wages, length of training, success stories and challenges are required.

5. Reallocation policies;

Any sanction policy promulgated by the Governor involving the de-obligation/re-obligation of funds must take into account the cost limitations and the obligation requirements found in the Workforce Investment Act and ensure that these limitations and requirements are adhered to by the local areas. Further, failure to adhere to the statutory cost limitations may be the basis for sanctions and repayment of funds. Failure to meet the obligation requirements may result in de-obligation.

A modification to the Workforce Investment Act plan will be required if a substantial deviation of funds results from either a voluntary or involuntary de-obligation or re-obligation. A change of more than 20 percent in fund availability is considered a substantial deviation. A technical correction to the Workforce Investment Act plan will be required if the change in funds is less than 20 percent of the total funds available. Modifications and technical corrections to the Workforce Investment Act plan should be submitted in accordance with the Workforce Investment Act plan instructions.

6. State policies for approving local requests for authority to transfer funds between the Adult and Dislocated Worker funding streams at the local level;

Kentucky has an approved waiver authority and is seeking continuance to transfer up to 50 percent between the adult and dislocated worker funding streams. Local areas

must submit a written request to transfer funds. OET will review the request and either approve or deny it.

7. Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training;

The basic practices for serving populations with special needs are addressed through the one-stop delivery system and demand-driven strategic planning with partners. These strategies focus on universal access to core services under WIA. Key barriers addressed include:

- language,
- cognitive,
- physical disability,
- geographic location,
- reading level, and
- economic disadvantage.

Referrals are made to workforce investment partners based on the criteria an individual meets for services.

Local board planning determines the local policy for populations with special needs and multiple barriers to employment and training.

8. If the State did not delegate this responsibility to local boards, provide the State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(iv) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§ 112(b)(18)(A) and 20 CFR 664.210.)

This responsibility has been delegated to local boards.

IX. Service Delivery

Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§112(b)(17)(A).) Activities could include:

A. One-Stop Service Delivery Strategies: (§§112(b)(2) and 111(d)(2).)

1. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system? (§112(b)(8)(A).)

Kentucky consistently emphasizes the importance of partnership building and integration, both at the state and local levels. Policies, guidance and directives issued to LWIBs encourage the collaboration and expansion of partnering for one-stop system success. The primary methods of coordinated services are the local area consortium agreements and Memorandums of Understanding (MOU) between partner agencies. The state monitors these agreements and MOUs annually.

Several KWIB initiatives are underway that will ensure that services provided by each of the required and optional one-stop partners are coordinated and made available through the one-stop system. (See Attachment C)

Through the One-Stop Certification KWIB initiative, the board will establish a policy framework to serve as the baseline standard of a one-stop career center in the Kentucky workforce system. The initiative may include a common intake, orientation, partner referral process and assessment. Local areas will benefit by having a clear policy framework to guide their improvements as well as those of partner agencies. These new standards will provide local operators with leverage for collaboration and a basis for helping achieve equity in the distribution of responsibility for the success of the one-stop system. Designed to hold LWIBs accountable in their role as overseers of the one-stop system, certification provides LWIBs with the opportunity to formally assess operator performance and take corrective action when necessary.

The Partner for Success initiative established an Achieving Success Together team to identify areas and develop policies and procedures to support common services and complementary services.

Most one-stop partners utilize EKOS as the primary workforce case management information system for common measures performance management and reporting. All 10 local workforce investment boards use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system. Basic and advanced data entry and program-specific training is provided to all OET, WIA, VETS, Trade and, if applicable, other one-stop partner staff. Services provided to individuals by one-stop partners can be viewed and coordinated through EKOS.

Federal incentive funds that were utilized to make significant enhancements to the EKOS system that provided better coordinated services through the One-Stop System. Additionally, the NCRC initiative will increase communication and collaboration between One-Stop partners.

2. How are youth formula programs funded under (§128(b)(2)(A).) integrated in the One-Stop system?

Local WIA plans describe how each of the local areas is serving youth through the one-stop system. Each of the 10 local areas approach youth services in a slightly different manner, but all have made significant progress in incorporating the youth population into the one-stop system. Youth services are available through the one-stop via referral between physical centers and other agencies. For instance, youth coming into the one-stop career centers who are eligible for adult education services are referred to the Kentucky Adult Education program to obtain their GED or other relevant services. Stand-alone youth one-stop career centers are located in various areas.

In all local areas, youth formula funds are disseminated by the local areas through contractual agreements. The local area, in partnership with their local youth councils, develop relationships with local agencies and service providers to ensure that necessary services are available to eligible youth.

Kentucky has a waiver to provide training opportunities to youth 18 years of age or older through an individual training account (ITA). Many of the local areas are utilizing on-the-job training to serve this population. Other integrated services include the summer youth programs, local high school presentations and community workshops.

The KWIB initiative National Career and Readiness Certificate (NCRC) can provide a certificate that will help youth compete in the job market. The certificate, which can be presented to potential employers, is a measurement of basic math skills, English and locating information.

In 2005, the Cumberland Workforce Investment Area, in partnership with Kentucky Adult Education, conducted a pilot program to work with businesses and individuals to raise awareness and use of the Kentucky Employability Certificate, the NCRC predecessor. As a follow up to the pilot, the Cumberland area now provides the assessment to high school seniors within the area. This core service assessment can lead to a certificate that will benefit the youth as they seek employment in the future. The local board and youth council consider this a great benefit to both the youth and the business community.

As a component to the KWIB Work Ready Community initiative, the local workforce investment areas should demonstrate a commitment to improving public high school graduation rates and build community support for meeting this goal. The outcome of

this commitment will produce an increase in the number of postsecondary and work-ready high school graduates.

3. What minimum service delivery requirements does the State mandate in a comprehensive One-Stop Centers or an affiliate site?

The state does not currently have minimum requirements beyond those established in the Workforce Investment Act and Regulations. However the KWIB One-Stop Certification initiative establishes state-mandated comprehensive one-stop career center and affiliate minimum service delivery requirements.

Through the One-Stop Certification KWIB initiative, the board will establish a policy framework to serve as the baseline standard of a one-stop career center in the Kentucky workforce system. Local areas will benefit by having a clear policy framework to guide their improvements as well as those of partner agencies.

The One-Stop Certification team is made up of all partners representing One-Stop services. Team members include representation from Adult Education, WIA, Office of Employment and Training, Office of Vocational Rehabilitation, Office for the Blind, Economic Development, Community College system, Office of Career and Technical Education, Area Development District, Health and Family Services and employers. The core team has completed the business service standards and the job seeker standards. Part three to be completed is the One-Stop management standards.

4. What tools and products has the State developed to support service delivery in all One-Stop Centers Statewide?

Kentucky is continually researching and developing tools for the Local Workforce Investment Areas to assist staff in providing seamless service delivery and tracking individuals who receive their services.

The commonwealth utilizes EKOS as the primary workforce case management and reporting system. All 10 LWIBs use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system. The system is also the primary tool used by the OET and WIA staff to perform job matching services.

Driven by a geographically dynamic search engine, **e3.ky.gov**, Kentucky's multi-audience web portal, offers snapshots of the commonwealth's data, resources and human capital in a convenient, self-service format. The system allows Kentucky to track the attainment of GEDs, postsecondary degrees and state-issued certifications, and display this information to users in a wide variety of geographic formats. The system interfaces with EKOS for a seamless flow of information.

Kentucky is in the process of enhancing EKOS and e3 capabilities in resume building, job matching and employer self-service. The “Focus Career for Job Seekers” technology will replace EKOS self-registration system, offer a multi-format resume builder, provide email job alerts, match resumes to jobs automatically and rank matches using artificial intelligence.

The “Focus Talent for Employers” technology will replace the e3 employer module, create a more employer-friendly job posting mechanism, provide email resume alerts, match jobs to resumes automatically and rank matches using artificial intelligence.

Virtual billboards displaying looping announcements of one-stop services have been placed in all comprehensive one-stop career centers. OET provides updated state-level information and local areas can insert information about one-stop and community activities such as job fairs or employer hiring announcements.

OET also has developed Kentucky Employment Network (KEN) workshops to assist UI claimants who have the highest probability of exhausting their benefits. Workshops include self-marketing and networking, job application preparation, resume writing, and interviewing skills and techniques.

The following KWIB initiatives also support service delivery in all one-stop career centers statewide:

- Workforce Academy – provide customer service training to all service delivery staff,
 - Branding and Identity – common assessment process,
 - User-Friendly Services – web-based employer and job-seeker tools and a redesign of agency websites,
 - Get Back to Work – create a partnership between the OET and KYAE to develop an education-based redeployment strategy for individuals deemed education deficient
 - National Career Readiness Certificate (NCRC) - credential composed of three WorkKeys assessments that measure real world skills crucial to job success
5. What models/templates/approaches does the State recommend and/or mandate for service delivery in the One-Stop Centers? For example, do all One-Stop Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Center? Are all One-Stop Centers required to have a resource center that is open to anyone?

Several of the KWIB initiatives include models, templates, and approaches for consistent service delivery in one-stop centers. A major assessment initiative is the One-Stop Certification. Through this endeavor, Kentucky will develop benchmarks and baseline standards for consistency within the system. The certification structure

may include such details as a baseline menu of services, co-location and integration of partners or partner services in the one-stop center, facility configuration, training and cross-training of staff, reporting requirements and compliance, and dedicated business services areas.

Additional KWIB initiatives addressing uniform delivery of one-stop services include:

- Rapid Response Redesign – Business Solutions Team
- NCRC – common assessment process
- Eligible Training Provider List Enhancements – Reinforce priorities around high demand occupations, sustainable wages and career ladder goals.
- Partner for Success – Establish an Achieving Success Together team to identify areas of common services and complementary services.
- Case Management – Achieve elevated level of service and unify the approach across the system through case management professional development on a continuing basis.
- High Performing Workforce Investment Boards – Ensure one-stop career centers provide excellent and fully accessible services to both employers and job seekers.
- Workforce Academy – Provide customer service training to all service delivery staff.
- Get Back to Work – Provide UI claimants most likely to exhaust their benefits with special services to increase their education level and workforce skills.
- Unemployment Insurance Customer Service Plan – Provide customer service and other training to service delivery staff. Increase use of online tools and resources by automating several functions which currently require in-person contact with clients.

See Attachment C.

- B. Workforce Information – A fundamental component of a demand-driven workforce investment system is the integration and application of the best available State and local workforce information including, but not limited to, economic data, labor market information, census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)
1. Describe how the State will integrate workforce information into its planning and decision making at the State and local level, including State and local Boards, One-Stop operations, and case manager guidance.

Strategic planning consultants provided technical assistance to the state and each of the 10 local workforce investment areas regarding state and local strategic planning. Each plan reflects the unique components of that area's demand-driven workforce. The OET, Research and Statistics Branch provided labor market information and economic data in the development of local strategic plans. A website is maintained by this branch.

One-Stop operations and case management guidance will be enhanced through Focus Career, a Burning Glass component, which provides a more effective solution to job matching, resume writing and employer searches designed to assist users in locating suitable employment for our customers. In addition to Focus Career, the Commonwealth is integrating a separate Labor Market module which will provide users with locating labor market information. This module is a standalone, yet seamless, web-based application which will provide an analytical solution by leveraging the power of artificial intelligence for effective text mining and coding. This separate module supplements BLS data with real-time jobs data and sophisticated analytical tools giving job seekers access to detailed actionable information on the experience, education, knowledge, and skills in supply and demand within our region. Both Focus Career and the Labor Market components will be integrated with Kentucky's current EKOS system.

Under the High Performing WIB initiative, local boards are expected to adopt a sector approach to workforce development. Success can be accomplished through regional labor market analysis using the most current available data and effectively using the information to guide sector policy and investments.

2. Describe the approach the State will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in easy to use formats that are readily accessible within One-Stop Career Centers and at remote locations such as libraries, schools, worksites, and at home.

Kentucky's Workforce Kentucky site (www.workforcekentucky.ky.gov) provides detailed workforce information to employers, economic and market analysts, job seekers, school counselors, students and one-stop career center staff. Local Workforce Investment Areas have also prepared brochures, pamphlets and leaflets which are readily available through the one-stop centers for dissemination to businesses, job seekers and employment counselors. Each local workforce investment area has similar information posted on its website as well. Regardless of a customer's location or information need, workforce information is readily available to facilitate informed decisions.

Kentucky uses the e3 website to share education, employment and economic development data with a variety of audiences, including economists, public policy leaders and businesses. The three parts of the website also give companies that are interested in moving to Kentucky or expanding their business here a snapshot of the

state's assets. A solid educational foundation increases employment opportunities and leads to greater economic prosperity.

At this time, Kentucky has undertaken a major project for the enhancement of EKOS, known as America's One-Stop Operating System (AOSOS). Kentucky has purchased software from Burning Glass to replace both Kentucky's self registration for job seekers and the employer self-service portal - at no cost to users. This software will be utilized by employers who prefer to enter their company information and job posts. Currently, staff must enter this information for employers manually. This information will be automatically processed into the EKOS database and viewable to job seekers in the EKOS Self Service Module, on America's Job Exchange (AJE), and Job Central (JC). Also, the state is implementing a process which will automatically validate the Federal Employer Identification Number (FEIN), to further automate the process.

The new software provided by Burning Glass will assist the Kentucky job-seeking public in many ways. Job seekers will be able to create a professional resume with the assistance of Burning Glass' Focus/Career technology. The Focus/Career software includes a great deal of research into the vast number of jobs that the job seeker may have listed in their work history, and can lead them into providing more detail into the experience each job provides. They will also match their resume to job postings automatically using the artificial intelligence provided by the new technology. Job seekers will be able to set up daily job alerts that will be sent via email to inform them of new jobs which match their resume. Unemployed job seekers will be required to receive job alerts to ensure they are receiving as many job leads as possible in these difficult times. Workforce staff will be able to access and edit both job seeker and employer records through an Administrative Module, and perform many other tasks as needed to facilitate the job posting and matching processes.

3. Describe how the activities funded through ETA's Workforce Information Grants to the State are aligned with other workforce activities to ensure that the investments in core products and services support the State's overall strategic direction for workforce investment.

Kentucky's Workforce Information Core Products and Services Plan for PY 2010 was developed in accordance with the ETA Training and Employment Guidance Letter No. 3-10, which stipulated a collaborative process with the State Workforce Investment Board in developing the plan. The director and members of the KWIB fully participated in the development of the plan.

Kentucky's Workforce Information Grant is aligned with the KWIB's *WorkSmart Kentucky, a Strategic Transformation of the Workforce System*, to ensure investments in core products and services support this overall strategic plan. The success of the KWIB strategic plan initiatives, either directly or indirectly relies on a strong understanding of the current labor market to produce sustainable economic growth. Possessing accurate and up-to-date information and having knowledgeable staff to

research and analyze current labor market information is essential to transforming Kentucky's workforce system.

As Kentucky moves forward in this volatile economy, the state must ensure that its decisions meet the demands of both the employers and job seekers. Having a demand-driven, business-led, solutions-based approach is vital to realizing success. In an effort to achieve the KWIB's strategic plan vision, *Kentucky will transform the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians*, the following activities are provided through OET's Research and Statistics Branch.

- Provide overall management of the Employment Statistics/Workforce Information Program, maintaining a comprehensive system of labor market and workforce data for Kentucky.
 - Produce and disseminate industry and occupational employment projections.
 - Maintain the comprehensive Workforce Kentucky website - www.workforcekentucky.ky.gov.
 - Produce relevant economic printed publications, correspondence, and presentations.
 - Provide workforce information and economic analysis.
 - Create tools and products to translate and analyze data into economic and workforce information.
4. Describe how State workforce information products and tools are coordinated with the national electronic workforce information tools including America's Career Information Network and Career Voyages.

Research and Statistics maintains the Workforce Information Database which uses the ALMIS (America's Labor Market Information System) structure that is provided on the federal level in order for states to maintain uniform databases. Career-oriented sites such as America's Career InfoNet and O*NET use Research and Statistics data but do not directly access it from its own database. In addition to providing these sites with our workforce information data, these sites allow Research and Statistics free use of their career information. The same sharing relationship is maintained with federal entities including BLS and ETA.

C. Adults and Dislocated Workers

1. Core Services. (§112(b)(17)(a)(i).)

- a. Describe State strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).
 - i. States should address core services for adults, dislocated workers, and target populations, especially those given preference in the WIA Adult program—recipients of public assistance and other low-income individuals.

Kentucky's service strategy ensures that adults and dislocated workers have universal access to required core services by offering a variety of resources to respond to the diverse needs of adults and dislocated workers seeking help from one-stop centers and by training staff in skills needed to enhance the availability of these resources. Through the KWIB Workforce Academy initiative, the commonwealth expects to achieve system-wide consistency in the approach to customer service through a training program that will be developed and provided to all service delivery staff. As part of the workforce academy model, a collaborative case management approach with an emphasis on providing timely and accurate workforce intelligence to our employer and education partners, as well as job seekers is seen as critical.

Core services include, at minimum, all of the services identified in WIA section 134(d)(A)-(K). WIA services may include:

- Program eligibility
- Outreach, intake and orientation to the information and services available
- Initial assessment of skill levels, aptitudes, abilities and supportive service needs
- Job search and placement assistance and if appropriate career counseling
- Labor market information
- Eligible providers of training services-performance and cost information
- Local area performance
- Information relating to availability of supportive services including child care and transportation and referral to such services as appropriate
- Information regarding filing claims for unemployment compensation
- Assistance in establishing eligibility for programs of financial aid assistance
- Follow-up services including counseling regarding the workplace

Core services are offered in an integrated manner and not by program funding. Information is provided on all programs by all one-stop staff regardless of the funding source for their position.

Kentucky's local areas will assess the effectiveness of their one-stop centers in serving target populations based on attendance/enrollment in WIA programs, and demand for core services. Local plans must make an effort to enhance universal

access to services for individuals with disabilities and minority individuals through targeted outreach efforts with community/civic organizations and partners, the school systems, media resources and other public forums.

Veterans that incur service-connected disabilities are a target group for special services under the Jobs for Veterans State Grant (JVSG) which is administered by OET through the Kentucky one stops. JVSG funded Disabled Veterans Outreach Program specialists (DVOPs) provide outreach to National Guard and Reserve units as well as to military bases located in Kentucky to provide information about the services that are available to this group. An assessment will be conducted to identify obstacles and goals and an individual employment plan will be developed to help achieve the employment objective. The IEP may take into account the physical, mental and employment factors to offer a holistic approach making it necessary to utilize services provided by other one-stop partners and outside resources.

One-stop centers must develop strategies and resources for offering any/all interested individuals the opportunity to learn about and become more acquainted with resources, programs and services. Local boards address services to target populations, including recipients of public assistance, food stamps, homeless individuals, foster children, older Americans and other low-income individuals through targeted outreach efforts with community/civic organizations and partners, school systems, various media resources and other public forums.

Kentucky tracks specific targeted applicant groups required by USDOL as part of its report requirements. OET maintains an internet-accessible data warehouse that is available to state and local staff who have secured access. The warehouse was developed using Business Objects and Web Intelligence software applications. The warehouse has numerous reports that track targeted populations based on services received, participant characteristics, co-enrollment and caseload management. Staff can create their own reports and use prepared reports to monitor program and participant activities for active as well as exited participants.

- b. Describe how the State will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and are accessible and available to all customers at the local level.

Employers are encouraged to use the self-service functions for job posting, however staff also assist with the labor exchange services including job order writing, and screening and referral of qualified applicants.

Wagner-Peyser and WIA funded staff service job orders that are posted by employer data entry through e3.ky.gov to Kentucky's job bank. Staff members review job orders to ensure compliance with EEO and non-discrimination laws and assist with providing accurate descriptions of the job duties.

Re-employment services continue to be provided to UI claimants through career planning and job search workshops. Decreases in Wagner-Peyser funding have decreased the availability of staff-assisted services beyond the resource rooms. Employment counseling and testing are provided to help customers faced with dislocation to choose new vocations.

Staff assisted service to employers includes screening and referrals of qualified job applicants and job order writing.

- c. Describe how the State will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers as well as resources provided by required One-Stop partner programs, to deliver core services.

Since 2006, OET has worked with the local workforce investment areas to develop at least one comprehensive one-stop within each local workforce area. OET managers and other partner agency heads participate on local boards to work with private industry leaders to address integration issues to better serve the public through the workforce system.

In 2010, OET re-organized the local employment service offices into 10 regions which coincide with the 10 local workforce investment areas. The local employment services offices are managed by OET regional administrators. OET staff and partner agency staff collaborate to address issues related to system integration, collaborative marketing, capacity building, services, staffing, accountability, universal access and administrative decisions.

Within each local area, services are integrated through a MOU between Wagner-Peyser and WIA Title I staff to provide unduplicated services for adults and dislocated workers. Each local board is required to develop a regional plan and strategy that outlines how partners will use resources to meet job seeker, employer and economic growth needs of the area through a system-based approach.

Resource Sharing Agreements (RSAs) are developed by one-stop partners to efficiently allocate costs for shared resources necessary to deliver core services.

Wagner-Peyser and WIA re-employment services are integrated and coordinated with the commonwealth's UI program for seamless service. OET administers the Trade program through an integrated service delivery system with the WIA Dislocated Worker program. Each of the 10 regions develops a plan to provide consistent services in an efficient manner. All participants in Trade approved training are enrolled in the WIA Dislocated Worker program and receive assessment, career counseling and case management services. Trade training funds are passed to local boards for payment of TAA approved training.

Rapid Response services are provided by teams consisting of representatives from federal, state and local agencies at the local level. OET provides statewide policies, technical assistance and monitors the activities and effectiveness of the local teams.

2. **Intensive Services.** (§112(b)(17)(a)(i).) Describe State strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.

Intensive services consisting of, at a minimum, the services identified in WIA Section 134(d)(3)(c) are guaranteed to all eligible unemployed adults and dislocated workers who are unable to obtain employment through core services. To receive intensive services, an individual must first receive a core service.

The following is a list of intensive services that may be provided in Kentucky's one-stop career centers:

- comprehensive and specialized assessments of the skill levels and service needs including diagnostic testing and use of other assessments tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals,
- development of an individual employment plan,
- group counseling,
- individual counseling and career planning,
- case management for participants seeking training services,
- short-term prevocational services,
- out-of-area job search assistance,
- literacy activities related to basic workforce readiness,
- relocation assistance,
- internships, and
- work experience.

Emphasis is placed on information available in comp-assessment, career counseling and the use of skill assessment tools such as WorkKeys and NCRC to determine which services (core, intensive, training) to offer. Barriers to employment in connection with disabilities will be considered in the initial assessment. The number of times a customer is referred to a job may also indicate a need for intensive (or additional) services.

All one-stop partners coordinate and offer workshops at least weekly to provide group training and assistance with resume writing, interview skills, job search, networking, etc. The offerings are based on local customer need and the schedules are posted on the OET website for each location, in each center and promoted through free local media spots. Customers may be referred by any partner and other "walk-in" job seekers may participate as seating is available.

3. **Training Services.** (§112(b)(17)(A)(i).)

- a. Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources.

Recognizing the need to engage in new initiatives to bridge the gap between leading industries and future labor needs, Kentucky's Sector Strategy initiative is a critical step. This initiative will be the basis for a responsive training system that will address the needs of both employers and the workforce inter-dependently.

The goals include aligning the state workforce training initiatives and ITAs to sector strategies, demand occupations and those that provide career ladders. Consideration is being given to the development of more transitional programs to support the skills advancement of working adults especially those with multiple obstacles. For example, the Governor has established a Re-entry Taskforce to develop a strategy to meet the special needs of ex-offenders by streamlining access to multiple services and leverage the funds and resources of other federal, private and faith-based entities..

Another step is to overhaul the ETPL process and eligibility criteria to reinforce priorities around high demand occupations, sustainable wages and career ladder goals.

Kentucky will continue to maximize training opportunities by making WIA Statewide Reserve funds available for innovative programs which enhance sustainable economic and job growth to improve the lives of Kentuckians. Currently funded Statewide Reserve projects include: Skill Up Kentucky-(see attachment C); local area Pre-apprenticeship, Internship, and Prescription for Success training; One-Stop access points at several Kentucky libraries; and the Breaking Through initiative through the Kentucky Community and Technical College system. Also, Rapid Response Additional Assistance funds are awarded on an as-needed basis, allowing for additional training for dislocated workers.

A number of NEG's have been received and more have been requested to provide additional training and assistance for dislocated workers. These include:

- Base Realignment and Closure
- Health Coverage Tax Credit
- Eastern Kentucky Severe Storms
- On-the-Job Training
- Statewide Multi-company
- Two Community Impact Grants (pending)

- b. Individual Training Accounts:
 - i. What policy direction has the State provided for ITAs?

Each local area establishes policies and procedures to allow flexibility in

development of ITAs; however, with increased demand for workforce development services, stewardship of public resources demands a sustained commitment to strategic resource allocation to most effectively direct services. The state encourages local boards to prioritize their policies and implementation at various levels with statewide, regional or locally targeted industries. The most critical prioritization relates to the targeting of training resources so they are optimally aligned with industries and jobs important to regional and local economies.

To support the WIA principle of customer choice, Kentucky is developing an enhanced Eligible Training Providers (and Programs) List (ETPL). The process overhaul will reinforce priorities around high demand occupations, sustainable wages and career ladder goals. The central objective is to create and maintain a comprehensive ETPL that offers ITA training voucher holders a broad variety of quality training choices that provide a livable wage for workers and support the regional and state economy.

- ii. Describe innovative training strategies used by the State to fill skill gaps. Include in the discussion the State's effort to leverage additional resources to maximize the use of ITAs through partnerships with business, education (in particular, community and technical colleges, economic development agencies, and industry associations and how business and industry involvement is used to drive this strategy.

Kentucky has increased efforts to develop and maintain mutually beneficial partnerships with business, education, economic development and industry associations. The partnerships are instrumental in the decision-making process to assure that the state invests in training that will fill skill gaps to meet the needs of targeted industry sectors.

There are a number of approaches being taken to align and integrate the education and training supply pipeline across workforce development, technical colleges, and employers to ensure workers are prepared to fill high-wage, high-demand jobs with career pathways.

Examples include incumbent worker initiatives involving private sector and post secondary partners. In addition partnerships between secondary technical education and WIA increase training opportunities. Partnerships among Bluegrass State Skills Corporation, Kentucky Adult Education and local economic development agencies assist new and expanding industries.

The KWIB strategic plan encourages local boards to work with education, business and finance partners as well as small business development centers and the state's Innovation and Commercialization Centers to develop a comprehensive entrepreneurship training program that is responsive to local needs while meeting certain minimum standards to be established by the Governor. In addition to providing opportunities for entrepreneurship training, local alliances are encouraged

to link successful participants with venture capital, micro-finance, and other financing resources.

- iii. Discuss the State's plan for committing all or part of WIA Title I funds to training opportunities in high-growth, high-demand and economically vital occupations.

Kentucky is committed to preparing higher-skilled workers and a flexible labor force to meet the needs of high-growth, high-demand economically vital occupations. Action Step #1 of KWIB's strategic plan, "WORKSmart Kentucky" is "Make Investment Decision Based on Sector Strategies" and is a primary focus for allocations of WIA Title I funds to training.

The KWIB Action Step #2 will be implemented by the Governor's Office, the State Board, the Department of Workforce Investment and the Economic Development Cabinet to provide business and industry with the assurance that certified communities, and regions, have an available skilled workforce. One of the benefits is to increase awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries. Communities must apply for this certification and meet established high standards for education attainment and credentialing in order to receive the status which will be announced by the Governor.

- iv. Describe the State's policy for limiting ITAs (e.g., dollar amount or duration)

There is no state policy that limits the duration or dollar amount of ITAs. Through the local plan approval process, OET assists local boards in setting policies limiting the amount and durations of ITAs based on the availability of funds and projected need of target populations.

- v. Describe the State's current or planned use of WIA Title I funds for the provision of training through Registered Apprenticeship.

The apprenticeship program is an integral part of the state board's strategic plan. Through the Apprenticeship Sales Force KWIB initiative, Kentucky plans to establish a partnership to market the benefits of registered apprenticeships, both union and non-union, to Kentucky businesses. An outreach promotion through the local business services team will be an integral part to reach Kentucky's potential with registered apprenticeships.

As an alternative to traditional postsecondary education, registered apprenticeships will appeal to a segment of the population concerned about earning a wage immediately while developing skills through a combination of hands on and classroom work.

Apprenticeship is a proven solution for a demand-driven, flexible approach to skills

development and lifelong learning. The state encourages local areas to pursue linkage and coordination with apprenticeship programs and use of WIA Title I funds for the provision of training for workers that choose this alternative to improve their skills and wages.

In conjunction with the Kentucky Labor Cabinet, a Request for Proposals was issued to the 10 local workforce investment areas to implement a pre-apprenticeship program that would help trainees attain successful careers in construction occupations by preparing them for full Registered Apprenticeship programs. Under the Recovery Act, Kentucky awarded three local areas funding to implement a pre-apprenticeship program in the construction industry. These programs are serving low-income adults and/or dislocated workers. Collaborative partnerships were formed in each area with a Registered Apprenticeship sponsor, Kentucky Community and Technical College System and other partners as appropriate.

- vi. Identify State policies that permit the use of WIA Title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly (such as through an ITA) (20 CFR § 667.266(b)(1).)

Local workforce investment areas are required to follow WIA laws and regulations. No additional state restrictions apply.

- c. Eligible Training Provider List. Describe the State's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every One-Stop Career Center. (§112(b)(17)(A)(iii).)

Local workforce investment areas are required to follow WIA laws and regulations. No additional state restrictions apply.

- d. On-the-Job (OJT) and Customized Training (§§112(b)(17)(A)(i) and 134(b).)
Based on the outline below, describe the State's major directions, policies and requirements related to OJT and customized training.
 - i. Describe the Governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.

It is Kentucky's desire to increase training opportunities for individuals through greater utilization of on-the-job training (OJT) by giving the participant an opportunity to receive training while starting a full-time career, not only does the participant benefit, but the participating business benefits as well by receiving a reimbursement. Employers with 50 or fewer employees are reimbursed up to 90 percent, up to 75 percent of the costs for employers with 51-250 employees and businesses with more than 250 employees would be reimbursed at the 50 percent rate.

The reimbursement is to compensate for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the participants.

In order to increase these training opportunities, the state will assist the local areas in the development of business services to be delivered through the local one-stop system. Interaction at the local level with existing business and industry representatives will increase the communication of available training services designed to meet local labor demands.

Kentucky requested and received a waiver of the required 50 percent employer match. The waiver eliminates the current 50 percent employer contribution requirement for customized training and substitutes a sliding-scale contribution based on the size of employer. The waiver has afforded more customized training opportunities for smaller businesses or businesses with smaller training budgets.

ii. Describe how the State:

- Identifies OJT and customized training opportunities;

Kentucky is committed to a pro-active system that matches needed skill sets with employer's needs. The state will identify and prioritize OJT and customized training (CT) opportunities for companies paying higher wages and those in high-demand business sectors. At-risk companies are also prioritized for customized training as part of strategies for layoff avoidance. Staff is trained in job development techniques and use OJT activities when appropriate.

- Markets OJT and customized training as an incentive to untapped employer pools including new business to the State, employers groups;

Through the one-stop system, businesses are offered customized training options for their employees. Joint ventures with local manager associations, chambers of commerce, economic development, and other local and state groups will allow for innovative opportunities. An ongoing partnership with state and local economic development officials is a proven strategy in communicating and marketing these services to new and expanding business and industry.

- Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;

Currently, OJT and CT are heavily marketed toward areas of high demand and high growth industries as well as businesses included in the President's Energy and Green Initiatives.

These jobs not only benefit Kentucky and the local communities, but through OJT, individuals who might not normally have a chance for employment in these

industries, have an opportunity for a career in a high wage growth occupation that will help them care for their families and become self sufficient members of their communities.

- Taps business partners to help drive the strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and

Through existing partnerships in the one-stop system and new partnerships created for serving businesses while continuing to serve individuals, Kentucky has developed a network that provides placement and assessment of jobs and individuals to meet the employment needs of a community.

Input from KCTCS and USDOL resources such as O*Net are being used in the development of curricula and training.

- Leverages other resources through education, economic development and industry associations to support OJT and customized training ventures.

KWIB's WORKSmart Kentucky is a plan that includes cross agency and business sector statewide initiatives.

4. Service to Specific Populations. (§112(b)(17)(A)(iv).)

- a. Describe the State's strategies to ensure that the full range of employment and training programs and services delivered through the State's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal farmworkers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking proficiency, and people with disabilities.)
 - i. Indicate how the state will use Wagner-Peyser resources to support individuals with disabilities, such as funding disability program navigators in One-Stop Career Centers, or assisting other targeted populations.

The network of one-stop centers, local employment services offices, and affiliate and satellite sites is designed to ensure accessibility to each area's populations with special needs. Key obstacles to access of services are language, physical disability, geographic location, cognitive barriers, reading level and economical status.

Local boards will ensure that the full range of employment and training programs and services are accessible and meet special needs of individuals with barriers. The one-stop on-site monitoring visits will identify accessibility deficiencies and will require

corrective actions. Crystal reports are available to determine if appropriate referrals are made for people with multiple barriers to employment. The one-stop monitoring tool will obtain information about partnerships that are developed and maintained to meet the needs of special groups.

Outreach is an important piece of the state's strategy to ensure that people are informed of the services available in the one-stop centers. Each local area will conduct a regular scheduled meeting with local area staff to ensure that communication continues between the local area, regional and state staff.

Instructions to identify staff training needs and to provide a tentative schedule will be included in the Local Plan Guidance. The local plans will include steps to increase staff development and cross training, and build partnerships with public and private entities that work with targeted groups.

Displaced homemakers may be served by local boards as additional dislocated workers.

The strategy for training low-income individuals for non-traditional employment is to provide statewide coordinated approaches, including model programs to train, place, and retain low-income persons in non-traditional employment.

The services to achieve this goal are: coordination of the recruitment of low-income individuals into occupations through a network of agencies and programs; provision of assessment through activities that develop critical thinking skills; knowledge related to occupations and opportunities in a changing local economy; non-traditional occupations for low-income individuals; and discussion of barriers that have kept low-income individuals in limited occupations with low pay.

Training activities for older individuals will be designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them.

Priority shall be given to recipients of public assistance and other low-income individuals for intensive services and training services.

Persons with disabilities will be afforded opportunities for training activities designed to improve participation in the workforce and lead to higher earnings. Individuals with multiple barriers to employment and training such as basic skills deficiency, school dropouts, recipients of cash welfare payment, offenders, individuals with disabilities, and/or homelessness, will be afforded opportunities for participation in training activities designed to improve participation in the workforce and lead to higher earnings. Training activities for persons in these groups will be provided in the context of the state's vision to provide universal access for all customers. Activities and programs will be assessed for effectiveness and responsiveness and continuously improved to expand outreach and marketing to customers.

OET is cognizant of the needs of ex-offenders and the importance of serving these individuals to help them transition from incarceration and succeed in their local communities. OET is participating on the Governor's Re-Entry Task Force and is encouraging local boards to leverage additional resources through partnerships with local faith-based and community-based organizations.

Ex-offenders have access to all employment and training services at Kentucky one-stop centers throughout the state. Boards may tailor solutions to meet ex-offenders' needs by providing them with services from multiple funding streams, including WIA. Boards are also instructed to address ex-offenders' support services needs, including referrals to other partners. Jobs for Veterans Grant funded staff visit prisons to begin working with ex-offenders identified as veterans up to six months prior to release to begin preparing them for re-entry into the workforce.

The strategies described above will support success in individual goals and state and local performance outcome goals and will ensure non-discrimination and equal opportunity.

- b. Describe the reemployment services the State will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.
 - i. Describe the Governor's vision for Reemployment Services including how they differ from Wagner-Peyser core services.

The principal goal for re-employment services is to help claimants who are unlikely to return to their previous job and are likely to exhaust their UI claim. The strategy is to provide additional assistance to facilitate their early return to employment. Re-employment services are streamlined and standardized across offices to increase service capacity and to implement best practices that have been identified and proven successful. Existing policies will be reviewed to ensure that claimants are using, or trained on, effective job search skills that will lead to employment.

New technology is being designed using the Burning Glass platform and will be implemented in the summer of 2011 that will facilitate a better and more user friendly connection between unemployment insurance claimants and employers. The system will provide better matching of individual electronic resumes and employer job orders. The matching can be performed by the individual claimant, staff and employer and will also be done automatically by the system. In addition to the core services which are available to all job seekers, the system utilizes artificial intelligence to focus on skills transferability to make instant job referrals that match skill levels. The system can provide information that will be beneficial for individuals that are selected through worker profiling. The system will provide functions to analyze individual

information to help with assessment and case management for career counseling, and training needs, skills upgrades or certification.

- ii. Describe how Reemployment Services will be coordinated with other services provided at the One-Stop Career Center under WIA.

The one stop is responsible for providing ongoing core, intensive, and other appropriate services to UI claimants. The new strategy is to treat UI claimants as a job seeker customer, with the UI benefits as just one part of the process. UI claimants' records are integrated into the Commonwealth's shared information and case management system (EKOS) from the time of initial claim. The information is available to one-stop partners to facilitate the referral and program enrollment process. Participants in need of basic education or training in order to obtain employment are referred to a WIA counselor. Those in WIA approved training or basic education program are exempt from further participation in the Reemployment program.

- iii. Describe how UI claimants will be identified quickly and Reemployment Services provided as early as possible following initial receipt of UI benefits or referrals through UI profiling system.

Claimant information is processed through a profiling model that evaluates several key indicators to immediately identify claimants most likely to exhaust benefits without returning to their jobs. Letters are mailed by the local employment services offices to advise claimants about additional services that are required to help them obtain reemployment. We are moving forward with plans to utilize the state data warehouse consortium, P20, to assist in updating our claimant profiling system. Through this venture we anticipate cost savings and more timely ad-hoc reporting capability. This will also allow us to better determine strategies to engage claimants and utilize the one-stop system to lead claimants towards sustainable employment.

The state's shared information and case management system called EKOS that allows staff to coordinate and share information in real-time to facilitate access to programs and services that can assist individuals in finding new employment.

- iv. Describe the services that will be provided under Reemployment Services, including in-depth services such as skill assessment, career guidance, individual service plans, and labor market information.

Claimants are assigned to a re-employment manager who provides job development and assistance with employer contacts. Case management and re-employment services will be strengthened through additional staff training to provide successful individual service plans.

Participants receive employment counseling, testing and assessment, and conduct self-directed job search and participate in job search workshops. Weekly workshops

are provided on resume writing, interviewing and job seeking skills including networking and the hidden job market. If seats are available the workshops are open to other job seekers.

- v. Describe how the state intends to integrate information technology in its Reemployment Services program to better identify and serve UI claimants.

New technology is being designed using the Burning Glass platform and will be implemented in the summer of 2011. Implementation of the Burning Glass technology offers intelligent system-based identification of claimants needing intensive services that will facilitate a better and more user friendly connection between unemployment insurance claimants and employers. The system will provide better matching of individual electronic resumes and employer job orders. The matching can be performed by the individual claimant, staff, and employer and will also be done automatically by the system. The system utilizes artificial intelligence to focus on skills transferability to make instant job referrals that match the individual's skill levels. The system will provide functions to analyze individual customer information to help with assessment and case management for career counseling, training needs, skills upgrades or certification.

Information from the UI data, customer registrations and labor market information is integrated to identify needs, opportunities and trends in a changing economic environment.

Better integration along with the advanced technology of Burning Glass creates a system that can respond more quickly to changes in labor supply and need.

- c. Describe how the State administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.

Kentucky requires all UI claimants to engage in an active work search, and each must contact at least two employers per week for each week of benefits claimed, unless specifically granted a "work search waiver."

The work test covers a claimant's ability to work, availability to work, and the suitability of work offered. The work test is an OET role and a one-stop system priority.

All workers file a claim for UI benefits through an electronic means, via the Internet or telephone. The system will not allow a claim to be validated without the work registration. Work registration information entered as part of the claim-filing process is automatically uploaded to EKOS. A unique identifier denotes that the registrant is a UI claimant to track services provided, activities and results.

With the implementation of the Burning Glass technology all work searches will be captured electronically and we will be in a better position to conduct more comprehensive work search verifications. Such verifications will allow for both the prevention and/or detection of fraud as required by HB 5.

- d. Describe the State's strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and Trade Adjustment Assistance (TAA) programs. Does the State have a policy supporting co-enrollment for WIA and TAA?

All WIA, Wagner-Peyser, TAA and related services are accessed via an integrated service delivery system. The integrated services strategy that is outlined in other sections of this Plan incorporates the TAA program. In all locations, both Wagner-Peyser and WIA staff jointly serve the TAA program services. TAA resources are leveraged whenever possible with WIA Title I Dislocated Worker resources. OET issued a state guidance memo with policy that requires co-enrollment of all participants receiving both TAA and Dislocated Worker services.

Policy development and implementation for the WIA dislocated worker program, TAA and Rapid Response are housed in the Division of Workforce and Employment and Services.

Rapid Response staff is trained to assess the need for filing a TAA petition. Each Rapid Response event includes an explanation of TAA and staff asks if the layoffs could be the result of foreign competition. All one-stops have information and access to information on filing TAA petitions. State guidance was issued that directed staff to use the on-line TAA petition application and to encourage any employers filing for a determination to use the on-line application.

Each region in the state has a full-time staff dedicated to facilitate the coordination and integration of services for TAA eligible dislocated workers.

The state hosts an annual forum that brings together TAA and WIA dislocated worker staff to clarify roles, review program guidelines, conduct team building and provide new information.

A SharePoint site is available for staff discussion, to share best practices and to disseminate information. A newsletter is also produced as a means to keep all staff connected.

TAA and WIA services and outcomes are tracked in a single, shared case management and reporting system called EKOS. Crystal reports allow state and local managers to use and create reports to monitor and evaluate the level of co-enrollment and service provisions on both programs.

The Trade Assistance Program Report (TAPR) has been improved to include individual participant information for benefits and services. The report will help to plan services that meet current and projected needs.

- d. How is the State's workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed in paragraph (a.) above and to ensure they are being identified as a critical pipeline of workers?

Currently, local areas have developed Business Services (Business Solutions) teams to focus on meeting the needs of business and industry. The state business services coordinator provides technical support, shares best practices and provides training. Team members are cross-trained to represent the one-stop and state workforce system, explaining the full array of services that are available to prevent the "silo" affect.

To address business and industry needs and identify a critical pipeline of workers, the KWIB in conjunction with the Education and Workforce Development Cabinet is implementing a Work Ready Communities Program, through which it will certify counties as "work ready" based on the quality of their labor force. The program will raise the concept of "certified employability" from the individual level—as indicated by a person's attainment of a National Career Readiness Certificate (NCRC) or other credentials—to the community level. Further, it will promote cooperation among key community stakeholders (community college staff, secondary education, economic development professionals, elected and appointed officials, employers, chambers, school boards, community organizations, and others) as they work toward a common community goal.

Earning Certified Work Ready Community status ensures citizens have the talent necessary to staff existing jobs and to master the innovative technologies new jobs will require in the future. This certified status shows employers and prospective employers that a county has the talented workforce that business demands... a sustainable, reliable pipeline that delivers the right workers with the right skills at the right time.

- e. Describe will the State ensure that the full array of One-Stop services are available to individuals with disabilities and that the services are fully accessible?

The curriculum, *Widening Our Doors*, provides tools and resources to prepare staff to meet the needs of customers with disabilities and other special populations. Standard specifications were developed for compliance and accessibility under state and federal regulations. Accessible computer workstations were installed in 31 centers and staff was trained. Each one-stop and local employment services manager must

ensure that at least one staff member at each location is trained to provide assistance on the use of the accessible workstations.

One-stops will continue to assess the effectiveness of these measures and will request training for new staff and refreshers as needed.

- f. Describe the role Local Veterans' Employment Representative/Disabled Veteran's Outreach Program (LVER/DVOP) staff have in the One-Stop Delivery System? How will the State ensure adherence to the legislative requirements for veterans' employment program staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 112 (b)(17)((B); 322, 38 U.S.C. Chapter 41; and 20 CFR §1001.120).)

The Kentucky Office of Employment and Training provides and promotes training and employment opportunities for veterans through the network of one-stops and local employment service offices as well as at military installations and at other veteran focused locations and events. Services provide veterans with the ability to pursue the educational and training credentials with priority provided in all Federally Funded programs that will allow them to successfully compete for both current and emerging employment opportunities and the job search skills to obtain suitable employment.

The Local Veterans' Employment Representative/Disabled Veteran's Outreach Program (LVER/DVOP) staff members are fully integrated in the commonwealth's one-stop system, functioning as partners in every location throughout the system. The roles of the LVER and DVOP have been redesigned to focus on the distinct primary responsibilities for each position. The DVOP specialists provide specialized services to disabled and other eligible veterans, with maximum emphasis on economically or educationally disadvantaged veterans. The DVOP specialist also provides intensive services needed to get the targeted veteran "job ready" and the LVER provides outreach to employers, job development, and services to the recently separated veterans.

Regional Business Service Teams, including LVER staff members, advocate on behalf of veterans with business and industry and market such programs as the newly expanded Work Opportunity Tax Credit (WOTC) that provides tax credits to employers who hire eligible veterans.

DVOP specialists and LVER staff members, as well as other one-stop staff work with veterans to provide them with information on the federal application process and how to locate and apply for federal job opportunities. Federal contractor job opportunities posted on Job Central are downloaded into the state's job bank along with jobs posted directly into the system by staff and employers.

Services are targeted to veterans most in need. Service-connected disabled veterans remain the highest priority. Within that category, certain populations of veterans must be targeted for service, including:

- veterans enrolled in or who have completed training or education under the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Program;
- returning wounded or injured service members; and
- REALifelines participants.

OET also will provide priority services to special disabled veterans. Following intake and work registration, the initial assessment is conducted to identify barriers to employment. If the veteran has disabilities and barriers exist, then the customer should be referred to a DVOP specialist for intensive case management services, including a comprehensive assessment and individual employment plan. The comprehensive assessment can include an in-depth, formal, structured interview with the veteran. Once an employment goal is determined, an individual employment plan will be developed. The plan will include long, mid and short-term goals (as appropriate) and steps to meet the goals. Referral to supportive services may be necessary to assist the veteran in overcoming identified barriers. If a DVOP specialist is not available, the veteran will be referred to a qualified LVER or other one-stop staff who will provide priority of service.

Veterans participating in the VR&E program are the highest priority customers for job search assistance. All partner agencies are requested to participate in the regularly scheduled review of VR&E customers' progress in reaching their career goals. Any issues involving services, referrals and processes will be discussed during these conference calls. Kentucky has dedicated the services of a full-time LVER to monitor and coordinate services provided by VA, one-stop and local employment services staff for participants in the VR&E program. DVOP specialists offer intensive case management services for the VR&E customers including a comprehensive assessment and individual employment plan based upon the employment plan provided by the VA. In addition, DVOP specialists and one-stop staff members will provide weekly job search services including job developments and job referrals. LVER staff members will focus on providing suitable employment opportunities for this priority group of veterans by conducting employer outreach and marketing the veterans' skills, education, experience and other positive attributes.

The DVOP specialist will also ensure that the veterans referred through REALifelines are linked with any necessary supportive services. The workforce system offers assistance with resume preparation, federal employment applications and interviewing skills. They conduct or assist in career fairs as a venue for transitioning service members and veterans to explore career options that will enable them to make more informed decisions as they transition to the civilian sector.

Plans are being developed to place JVSG and/or other WIA or Wagner-Peyser funded staff at Ft. Campbell on a full-time basis to provide employment or intensive case

management services to the transitioning service members who live on post. The staffing and provision of services will be coordinated through a partnership among the Kentucky and Tennessee directors of VETS, one stop-managers and state workforce agency regional managers.

DVOP specialists originate REALifeline referrals and send the customer information to the USDOL/VETS to ensure that transitioning service members and veterans who received wounds or injuries in support of Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF) obtain the services they need to make a successful transition to the civilian workforce. The transitioning service members and veterans referred through the REALifelines program are among the highest priority customers.

The following veteran populations are the focus of special emphasis, particularly those in need of intensive case management services. These special populations are consistent with the federally mandated roles and responsibilities of DVOP specialists and LVER staff members and the targeted groups selected for Jobs for Veterans Act negotiated performance outcome goals. They are also consistent with the needs of Kentucky's veterans.

- Veterans who have incurred service-connected disabilities that may impact their ability to obtain or retain employment. This group includes Vietnam era veterans that are getting older and have disabilities that may be worsening.
- Recently separated veterans who may have incurred disabilities that necessitate a change in careers or impact their ability to retain employment. Disabled veterans may have both visible and non-visible disabilities and may face many employment challenges.
- Disabled veterans with barriers to employment or needing career development services.

One-stop staff give priority service to recently separated veterans and LVER staff members will provide outreach to employers to promote the veterans' transferable skills and military experience. This is consistent with JVSG negotiated performance goals.

A partnership has been developed with USDOL/VETS and the Kentucky National Guard to offer a variety of services to National Guard members at their Yellow Ribbon Reintegration events held in various locations throughout the state as well as on-site during weekend drills. Staff give information about one-stop services including job search assistance, labor market information and UI benefits. DVOP specialists and LVER staff members provide follow-up to those veterans needing individual assistance.

Services to transitioning service members are provided during Transition Assistance Program (TAP) workshops. Other targeted populations such as soldiers assigned to the Warriors in Transition Units would also be accounted for in this population.

Frequent communication with Ft. Knox personnel and joint projects with one-stop partners enhance and leverage the ability to reach out to these veterans and transitioning service members.

A new staffing plan has been developed to place JVSG staff members in locations where they can best serve our veteran customers, particularly the veteran populations that have been targeted for specialized services. OET recognizes the importance of continually analyzing the veteran population and service delivery requirements to ensure the most effective use of limited resources. As attrition occurs, DVOP specialists and LVER staff members will be hired in those areas most in need of the specialized services they provide; staffing decisions are made in conjunction with the Kentucky director of VETS.

DVOP specialists assist veterans with economic or educational barriers to employment. Services may include referral to supportive services, labor market information, referral to training and educational opportunities and job-search assistance.

To maximize services to these veterans, DVOP specialists will conduct outreach activities as required at locations such as VA facilities and Homeless Veteran Reintegration Program (HVRP) grantee locations. DVOP specialists also offer a full range of employment and training services to veterans, with the primary focus on meeting the needs of veterans and other eligible persons who are unable to obtain employment through core services.

The one-stop system gives priority service to all veterans and eligible persons. Disabled veterans and other veterans with barriers to employment will be referred to DVOP specialists for initial and/or on-going services when identified during the one-stop initial assessment process as needing intensive services. Working in the capacity of a case manager, the DVOP specialist will either provide or facilitate the provision of intensive services to the veteran customer including a comprehensive assessment and individual employment plan. The comprehensive assessment can include an in-depth, formal, structured interview with the veteran. On-line assessment tools may also be used to help the veteran determine employment goals. Once an employment goal is determined, an IEP will be developed. The plan will include a long-term goal, a short-term goal (if appropriate) and steps to meet the goals. Referral to supportive services may be necessary to assist the veteran in overcoming barriers or to utilize veteran benefits to further their education/careers. If a DVOP specialist or LVER staff member is not available, other one-stop staff members will provide priority of service to these service-connected disabled veterans.

LVER staff members provide and facilitate a full range of employment and training services to meet the needs of veteran customers, focusing their efforts on providing services to recently separated veterans. They may offer job search workshops for veterans and coordinate with other federal, state and local agencies to deliver information and services to veterans. LVER staff members also contact employers to

conduct individual job development opportunities for the veterans they serve. LVER staff members will advocate on behalf of veterans for employment and training opportunities with business, industry and community organizations. They may present informational programs to various groups, promoting veterans as job seekers who have highly marketable skills and experience. They may also provide information on employer incentives such as the newly expanded WOTC that provides tax credits to employers who hire eligible veterans, including many of our targeted populations.

In conjunction with the Business Services Teams, LVER staff members establish, facilitate and/or maintain regular contact with employers to include federal contractors. They may organize or participate in career fairs and other employer orientated functions. LVER staff members facilitate Transition Assistance Program (TAP) workshops and recruit employers for employer panels.

JVSG-funded staff members are fully integrated into Kentucky's functionally aligned one-stop service delivery system. Veterans are served by Wagner-Peyser staff and referred and co-enrolled into Workforce Investment Act programs as appropriate. LWIB develop functional alignment and customer flow plans for one-stop centers that incorporate WIA and other partner staff to prioritize and serve veterans. Veterans and eligible persons receive priority of service by all one-stop staff, ensuring that veterans have access to the full range of resources available within the system. Eligible veterans and eligible persons who can benefit from the specialized services of DVOP specialists and LVER staff members, particularly the target populations specified in this plan, are referred to JVSG-funded staff for service.

Frequent communication, coordination of resources and joint issue resolution are paramount to ensuring that Kentucky's one stop system provides the best possible service to these priority groups of veterans. The Kentucky OET conducts activities that promote job training and employment opportunities for veterans, working with partner agencies to leverage resources.

Services are delivered to meet the individual needs of the veteran customer. Those without barriers to employment or who do not require intensive services may choose to use a wide variety of web-based resources to meet their individual employment needs. Others will require much more assistance in making employment and educational/training decisions. Staff provides services tailored to the veteran's needs including intensive case management services, comprehensive assessments, individual employment plans, labor market information, referral to training opportunities, referral to supportive services, resume preparation assistance and job referral/job development services.

OET coordinates with USDOL/VETS and the personnel of the Ft. Knox military installation to project the number of Transition Assistance Program (TAP) workshops that will be conducted during each fiscal year. The JVSG funded staff facilitate the

workshops after completing the mandated TAP training offered through the National Veterans Training Institute (NVTI).

At a minimum, OET assigns one TAP trained LVER staff member or DVOP specialist to facilitate each workshop. TAP workshops are conducted for 2.5 days at Ft. Knox on a weekly basis. Additionally, a once-monthly TAP is provided separately at the Warrior Transition Unit on Ft. Knox. These workshops were established to accommodate the unique needs of the wounded and injured transitioning service members. OET coordinates with USDOL/VETS to ensure that there are an adequate number of trained facilitators to support all TAP workshop sites. All TAP facilitators utilize the required USDOL/VETS curriculum/slides and OET works with USDOL/VETS and the Ft. Knox personnel to provide the highest quality TAP workshops.

- g. Department of Labor regulations at 29 CFR 37, require all recipients of Federal financial assistance from DOL to provide meaningful access to limited English proficient (LEP) persons. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. The regulations also apply to sub-recipients when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the State will ensure access to services through the State's One-Stop delivery system by persons with limited English proficiency and how the State will meet the requirements of ETA Training and Employment Guidance Letter (TEGL) 26-02, (May 29, 2003) which provides guidance on methods of complying with the Federal rule.

Limited English-speaking persons are given access to one-stop services and all DOL federally funded training and employment programs at no cost to the participant. One-stop centers are monitored for appropriate signage and appropriate access to services by persons with limited English proficiency. Oral interpretation services are provided through a combination of bilingual staff, telephone interpreter services and a current vendor list for the translation of vital documents as required by Executive Order 13166 and the relevant DOL Policy Guidance including TEGL No. 26-02.

Each local board is responsible for creating LEP procedures for its specific programs, services and customers. OET is committed to providing equal opportunity in all workforce development and employment programs and services to enable full compliance with civil rights laws, including the provision of language access services for persons with limited English proficiency as follows:

- customers with LEP will receive timely oral interpretation or access to translated written materials at no cost to them, and
- local boards are subject to full compliance with civil rights laws and are responsible for similar full compliance of their sub-grantees and sub-contractors.

- h. Describe the State's strategies to enhance and integrate service delivery through the One-Stop delivery system for migrant and seasonal farm workers and agricultural employers. How will the State ensure that migrant and seasonal farm workers have equal access to employment opportunities through the State's One-Stop delivery system? Include the number of Migrant and Seasonal Farmworkers (MSFWs) the State anticipates reaching annually through outreach to increase their ability to access core, intensive, and training services in the One-Stop Career Center System.

Migrant Seasonal Farmworkers (MSFW) are provided ready access to employment services and information on available services through the commonwealth's network of one-stops and local employment service offices. Program staff members are co-housed in many of the locations providing the convenience of a "no wrong door approach" to service delivery.

In addition to internal resources, OET maintains productive relationships with the Kentucky Farm Worker Program (402 grantee), the Kentucky Department of Education's Migrant Education program, the Kentucky Farm Bureau, the Governor's Office of Agricultural Policy, and the University of Kentucky Agricultural Extension Service to provide assistance in all MSFW efforts. OET staff maintains an open line of communication with Texas Rural Legal Service and the Kentucky Migrant Legal Services project to facilitate the sharing of information and the discussion of issues that affect migrant and seasonal farm workers.

The monitor advocate ensures that that all locations are user friendly and consistent with the one-stop delivery model. This enhances the use of OET locations by the MSFW community while in Kentucky.

OET operates an outreach program designed to locate, identify and contact those MSFWs that are not being reached through normal intake activities conducted at the local office level. The following plan describes the OET services' outreach policies, goals and objectives developed in accordance with federal regulations in 20 CFR 653.107.

OET has designated staff members that receive training in the MSFW outreach requirements. This staff has also received training in OET services, the use of the complaint system, and services available from other community and state agencies. The monitor advocate will provide outreach services by visiting worksites, MSFW housing and other areas of work concentration. Outreach workers will carry identification as employees of OET.

OET has made a commitment to make its workforce demographics reflect the population served. Full-time Spanish-speaking staff member are located in key offices staff to assist in the bilingual needs of our MSFW customers. Key written material concerning OET services, complaint procedures, and other agencies'

services are available in Spanish. This encourages non-English speaking MSFW's to use the system.

Employers who inquire about the H-2A program are encouraged to include in their H-2A job orders, terms and conditions that are above the minimum requirements of prevailing wage practices provided for in the regulations in order to enhance domestic recruitment. They are made aware of the services available at one-stop career centers by the H-2A staff. H-2A staff makes efforts to assist in the matching of local job seekers on H-2A job orders.

OET will continue to offer speakers to agricultural associations and groups in order to provide information concerning all programs that can benefit agricultural employees. OET will continue to participate as an ex-officio member of the Farm Labor Advisory Committee of the Kentucky Farm Bureau and work closely with the Kentucky Farmworkers program (402 grantee) board to identify and solve MSFW issues.

One OET goal for PY 2010 is to increase the number of MSFW's contacted through outreach. This will be accomplished with assistance of groups such as the Latino Housing Collation, the Kentucky Human Rights Commission, the Kentucky Department of Agriculture, Kentucky Farm Bureau, the University of Kentucky Agricultural Extension Service, and Kentucky Farm Worker program.

OET local offices actively promote the availability of agricultural openings and encourage U.S. workers to apply for these positions. Announcements are placed in field offices in counties that have agricultural openings and at selected sites that farm workers frequent.

5. Priority of Service

- a. What procedures and criteria are in place for the Governor and appropriate local boards to direct One-Stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited? (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)

OET and the local boards operate an integrated system that provides services to public assistance recipients and other low-income, high-risk customers. The commonwealth utilizes its workforce development planning process to encourage local areas to prioritize WIA adult intensive and training services for public assistance and low-income individuals if resources for these populations are limited; however, this is a local decision. Planning guidance issued to local areas specifically requires a description of the local strategies that will ensure emphasis on serving public-assistance recipients, low-income and under-skilled adults. Additionally, the commonwealth has stressed the need to focus WIA youth resources on at-risk out-of-school youth.

- b. What policies and strategies does the State have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L.107-288)[38 USC 4215], that priority of service is provided to veterans and eligible persons who otherwise meet the eligibility requirements for all employment and training programs funded by the U.S. Department of Labor. States should outline the changes to state and local policies and strategies that make them sufficient to meet the requirements of 20CFR 1010.230, published at 73 Fed Reg. 78132 on December 19, 2008 of the Jobs for Veterans Act regulations implementing priority of service for veterans and eligible persons in DOL job training programs. This includes providing the following information and/or attachments to the State Plan
- A description of the changes to policies for the delivery of priority of service by the State Workforce Agency or Agencies, Local Workforce Investments Boards, and One-Stop Career Centers for all qualified job training programs delivered through the state's workforce system. The description must include how:
 1. The state policies ensure that covered persons are identified at the point of entry and given an opportunity to take full advantage of priority of service.
 2. The state policies ensure that covered persons are aware of:
 - a. Their entitlement to priority of service;
 - b. The full array of employment, training, and placement services available under priority of service; and
 - c. Any applicable eligibility requirements for those programs and/or services.
 - A description or copy of the state's policy requiring Local Workforce Investment Boards to develop and include policies in their Local Plan to implement priority of service for the local One-Stop Career Centers and for service delivery by local workforce preparation and training providers.

Kentucky OET is a strong advocate of veterans' priority of service. In early 2009, OET increased its focus on veterans' priority of service as a direct result of federal regulations that went into effect on Jan. 19, 2009. This increased focus includes the implementation of strategies and policies designed to ensure veterans and eligible persons receive the highest level of quality service within the framework of priority of service.

The DVOP and LVER grants are administered by OET. The primary role of DVOP and LVER staff is the provision of services to eligible veterans and other eligible persons. In addition, OET and local board staff coordinate with other entities providing services to veterans including the VR&E program.

Covered persons are self-identified at the point of entry, whether in-person at a one-stop or local employment office, or via the Kentucky self-service system, and informed of their right to priority. Priority means that they are entitled to precedence over non-covered persons for services. A veteran or an eligible person will receive access to a service earlier in time than a non-covered person or, if the resource is limited, the veteran or eligible person will receive access to the service instead of or before the non-covered person.

One-stop and local employment service offices are monitored for compliance with priority of service to veterans. Each quarter the managers and regional administrators are provided a breakdown of core services received by veterans and non-veterans with the goal being that veterans receive a higher percentage of those services over the non-veterans. Managers are evaluated on compliance within their office for priority of service and performance outcomes for veterans.

OET's efforts to ensure that veteran job seekers receive value-added services include implementation of a first-day 24-hour hold on job postings in the state's job bank to match veteran job seekers (i.e., veterans and eligible persons) to job openings before the jobs are matched to the general public. In September 2008, OET launched an employer on-line self-service Internet portal in e3.ky.gov which placed an American flag on all veterans' resumes giving the employer the ability to identify veteran job seekers.

Each local board is required to develop and include in its strategic local plan, policies and procedures implementing priority of service for the local one-stop center and for service delivery by local workforce preparation and training providers. Written copies of the local priority of service policies must be posted at all delivery points in view of the general public.

The application of priority of service varies by program depending on the eligibility requirements of the particular program; however, for workforce programs that deliver services to the public as a whole, veterans and eligible persons must receive priority of service and priority access over all other program participants. This applies to "core" services delivered through the one-stop system under the Wagner-Peyser and WIA program.

OET recognizes that appropriate signage will play a pivotal role if priority of service is to be implemented successfully. As such, OET has distributed quality signage to be used at all local one-stop and local employment service office and affiliate service sites throughout the state.

To improve access by and information for customers, OET is redesigning state websites. The redesign will include language that clearly identifies priority of service. Strategies for web design may include the addition of veterans' priority of service informational language on the homepage; highlighting links to programs that provide

priority of service to veterans; and the inclusion of online e-mail links to dedicated veteran's representatives and services staff.

All one-stop programs receiving federal funds are required to provide priority of service to veterans and eligible persons and to serve these customers first. OET is requiring that local areas ensure this protocol is addressed in functional alignment and customer flow processes.

The aforementioned strategies should help guarantee the following:

- a. Veterans and eligible persons will be made aware of their entitlement to priority of service and will be identified at the point of entry.
- b. Veterans and eligible persons will be given an opportunity to take full advantage of priority of service by discovering the full array of employment, training, and placement services available to them.
- c. Veterans and eligible persons will be made aware of any applicable eligibility requirements specific to USDOL funded programs. If eligible, they will be provided the program-specific service and/or training in priority order, before non-veteran applicants.

D. Rapid Response. (112(b)(17)(A)(ii).) Describe how your State provides Rapid Response services with the funds reserved under section 133(a)(2).

1. Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and Chief Elected Officials. If Rapid Response activities are shared between the State and local areas, describe the functions of each and how funds are allocated to the local areas.

The state Rapid Response unit, within OET, is directly responsible for ensuring that Rapid Response is provided by the local workforce delivery system and serves as the primary contact for all Rapid Response activities. The Rapid Response activity in Kentucky is designed to connect the displaced worker with delivery of services to transition to new employment following either a permanent closure or mass layoff, approved Trade impacted events, or a natural or other disaster resulting in a mass job dislocation.

Each local workforce area has a Rapid Response team that is responsible for the coordination of Rapid Response activities with local the workforce board and with the appropriate local elected officials. The team has a local area coordinator that is responsible for the ensuring the team's Rapid Response delivery is prompt and meets the needs of community, employers and workers. OET allocates funds to the local areas to fund Rapid Response activities.

As previously mentioned, a major KWIB initiative is underway to enhance Kentucky's one-stop rapid response delivery structure.

2. Describe the process involved in carrying out Rapid Response activities.
 - a. What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?

OET receives notices of impending layoffs via WARN Act, media releases, the Governor's Office, and referral for services from supporting partners, i.e. Economic Development, Labor Market Information programs, local boards, and chief elected officials. OET communicates the impending layoff information to the local team coordinators for contacting the affected company and developing an action plan appropriate for the employer, community and affected workers.

In addition to alerting the local Rapid Response team coordinator, impending layoff notices are communicated to Cabinet leadership, Economic Development, WIA directors, OET Regional Managers and others specifically requesting to be included on the list. From the local level, relevant community agencies are notified.

- b. What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?

Currently, Kentucky has a decentralized Rapid Response process that allows for a quicker response at the local level. The local Rapid Response team coordinator (or designee) ensures that Rapid Response services are provided as quickly as possible. The local coordinator immediately contacts the company upon learning of a dislocation. Additionally, the coordinator will follow up with a company upon hearing of a possible dislocation. Whenever possible, all contact occurs prior to a layoff date, is onsite at the company, and is on company time. The team is trained to react quickly and offering a customizable service that fits the needs of the dislocation. The team's first step is an on-site employer meeting with the company to explain the Rapid Response process and services and how the services can be most successful. The team will discuss resources and services available to help the employer manage the layoff and identify the specific needs of the affected employees. Using information gained from the onsite meeting, the Rapid Response team develops a plan of action for delivering necessary services to the workers through an employee Rapid Response meeting.

The KWIB Redesign initiative will evaluate and enhance Kentucky's delivery structure for Rapid Response to effectively provide support to Kentucky employers throughout the business lifecycle as opposed to predominantly assisting with dislocations. A major component of the plan is strengthening partnerships and communicating with the community regarding OET's Business Services.

- c. What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what

services will be provided for a particular layoff (including layoffs that may be trade-affected)?

Rapid Response activities include services from the following agencies: state and local economic development; the state and local UI Benefit Program and Labor Market Information programs of the Office for Employment and Training; Kentucky Adult Education, Council on Postsecondary Education; the Office of Vocational Rehabilitation; local health departments; Trade Adjustment Assistance Program; the USDOL Employee Benefit Security Administration; and Local Workforce Investment Area one-stop system Dislocated Worker Program services.

The local Rapid Response determines what services will best meet the needs of the community, employer and affected workers for a particular layoff (including layoffs that may be trade affected). This is accomplished by an initial assessment using information gained from the employer on-site initial meeting. If appropriate specialized services for a Rapid Response may be developed including specialized workshops, job fairs or other enhanced services at the request of the company or local officials.

KWIB has initiated a Rapid Response redesign to improve the delivery of Rapid Response services in Kentucky. The strategic benefit will be to maximize the commonwealth's rapid response resources aligning them with economic development goals around business development and the Kentucky Reinvestment Act resulting in a more proactive systemic approach.

3. How does the State ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers?

Kentucky makes certain that there is a seamless transition between Rapid Response services and the one-stop activities for affected workers by immediately directing the affected workers at Rapid Response to the local one-stop system for supportive transitioning services. The description of one-stop services is provided to both employees and employers during their respective informational meetings. Employees and employers are registered with an area one-stop system at a Rapid Response meeting prior to layoff, when possible. This helps for a faultless transition of service delivery. Having all Rapid Response meetings conducted at the local level allows one-stop staff to make a personal connection and build relationships with employees and employers.

4. Describe how Rapid Response functions as a business service? Include whether Rapid Response partners with economic development agencies to connect employees from companies undergoing layoffs to similar companies that are growing and need skilled workers? How does Rapid Response promote the full range of services available to help companies in all stages of the economic cycle, not just those available during layoffs? How does the State promote Rapid

Response as a positive, proactive, business-friendly service, rather than a reactive service?

Kentucky's state Rapid Response unit functions as a service for business within the OET and partners. Economic Development refers to Rapid Response as a last resort after layoff aversion strategies have been exhausted for employers facing a layoff. Rapid Response's positive, proactive business-friendly service is promoted when Rapid Response can provide labor pool data to Economic Development. The data is used to verify an existing skilled workforce in a particular area for employers wishing to relocate to the area or to expand and/or upgrade operations.

WIA Statewide Reserve funds of \$250,000 have been set aside for the Rapid Response Redesign project to evaluate and enhance Kentucky's Rapid Response delivery structure. The intent of these funds is to develop strategies to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly at times of dislocation.

Economic Development will play a vital role at both the local and state levels. Kentucky is currently working the a local Economic Development entity to utilize WorkKeys job profiling system and the National Career Readiness Certificate to assist in finding the most qualified employees for a new employer considering a move to the community.

5. In what other partnerships does Rapid Response engage to expand the range and quality of services available to companies and affected workers and to develop an effective early layoff warning network?

Rapid Response engages in several partnerships to expand the range and quality of the services available to companies and affected workers and to develop an effective early layoff-warning network. Partnerships have been established with Economic Development, the Labor Market Information programs of the Office for Employment and Training, local boards and chief elected officials, for an effective early layoff-warning network and a collaborative effort to meet the needs of the employer and employee.

KWIB's strategic plan includes the redesign of Rapid Response. The plan will evaluate and enhance Kentucky's delivery structure for Rapid Response based on best practices from across the country focusing on the following elements: the infrastructure; relationships with stakeholders; policies and procedures; gathering promoting the services; assessing potential dislocations; and survey data.

The ultimate objective of the Rapid Response redesign will be to provide support to Kentucky employers throughout the business lifecycle as opposed to predominantly

assisting with dislocations. These efforts will further link The Cabinet for Economic Development's Department of Business Development with OET.

To facilitate the redesign process a Rapid Response redesign team has been formed consisting of team members from existing and potential partners. The team's mission will be to have Rapid Response take an ongoing, comprehensive approach to identifying, planning for, and responding to layoffs, and preventing or minimizing their impacts wherever possible.

The consensus of the team is to seek the services of an outside consultant to assess Kentucky's current processes and make recommendations and suggest strategies to enhance Kentucky's Rapid Response services. Team agreed that \$50,000 should be set aside for the consultant to be selected through a "Request for Proposals" process. The team is considering that \$100,000 of state wide reserve funds is used for core training to staff and \$10,000 be awarded to each of the 10 local workforce investment areas for materials, seed money for Rapid Response development, outreach materials, travel, etc.

6. What systems does the Rapid Response team use to track its activities? Does the State have a comprehensive, integrated Management Information System that includes Rapid Response, Trade Act programs, National Emergency Grants, and One-Stop activities?

EKOS has a custom tab that specifically developed for tracking activities occurring in and related to Rapid Response. The EKOS also tracks information and delivers reports related to the Trade Act and One-Stop activities. The information in the custom tab serves as the basis for the development of National Emergency Grants.

7. Are Rapid Response funds used for other activities not described above; e.g., the provision of additional assistance to local areas that experience increased workers or unemployed individuals due to dislocation events?

Rapid Response Additional Assistance funds are used to provide funds to local workforce investment areas that experience increased numbers of unemployed individuals due to dislocation events. These funds provide for direct services to participants such as intensive training and other services, if there are not adequate local funds to assist the dislocated workers. National Emergency Grants are developed and written for communities or situations that require funding where other funding sources have been exhausted.

- E. Youth. ETA's strategic vision identifies youth most in need--such as out of school youth who are out-of-school youth, at risk, in foster care or aging out of foster care, offenders, children of incarcerated parents, homeless youth, and migrant and seasonal farmworker youth--as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation, helping youth stay in or return to school, employment, internships, help

with attaining a high school diploma or GED, post-secondary career and technical education training, Registered apprenticeship, and enrollment in community and four-year colleges. (§112(b)(18).)

1. Describe the State's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the State will coordinate across State agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b)(18).)

The state delegates responsibility to each local area to develop youth programs and services to assist the most-in-need youth in their community. This includes accessing services that will enhance and/or expand the education, employment skills and opportunities that help prepare youth to meet the demands and needs of local businesses and employers. OET continues to provide guidance, technical assistance, and support to the local workforce areas as determined or requested.

In 2009 KWIB (KWIB) approved four strategic goals. These were approved by the Governor and implementation is ongoing.

Strategies to improve services, collaboration, delivery and access to those most-in-need youth have been integrated into all four strategic goals, either directly or indirectly. In order to provide determining factors for the goals of the strategic plan, a series of objectives were developed. Each set of objectives supports a specific goal and provides the framework for the development of the action steps as well as a basis for monitoring and evaluating the implementation of the plan by the KWIB on behalf of the Governor.

Below is a list of the four goals and the *specific* strategic objectives that relate to youth and Kentucky's dedication to implementing a comprehensive approach to the ETA strategic vision. This wide-ranging strategic plan process included Stakeholder meetings to gather ideas for ways to make the system more responsive to customer needs and engaging for partner organizations. The five stakeholder groups included: Economic Development Professionals, Kentucky Community and Technical College System, Local Workforce Investment Boards and Directors, Partner Agencies, and Members of the former Kentucky Workforce Investment Board.

Goal 1: Align the Commonwealth's workforce development system with Kentucky's education objectives. The specific youth-impacting objectives associated with this goal are: Increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development; Increase the number of postsecondary and work-ready high school graduates; Promote educational options, including technical education, two-

year and four-year college apprenticeships; and specialty to younger students; Increase awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries; and establish the concept of life-long learning as a norm in the 21st century.

Goal 2: Align the Commonwealth's workforce development system with economic development strategies. The specific youth-impacting objectives of this goal are: Refine and promote evolving methods of projecting jobs and training needs of the future; and increase opportunities for entrepreneurship in a culture of innovation.

Goal 3: Simplify the workforce development service delivery system. The specific youth- impacting objectives of this goal are: Simplify online services and focus on innovative user-friendly applications; Transform the identity of the unemployment office"; Increase the awareness and use of online job matching and training services; Reduce confusion and information overload for those unfamiliar with the system; and increase communications among all service delivery points.

Goal 4: Improve service to achieve a customer centered delivery system. Specific youth-impacting objectives of this goal are: Increase use of online tools and resources; and provide up-to-date resources for all clients and develop benchmarks and base-line standards for consistency within the system (physical, program and customer services) while allowing for local and regional adaptation.

Objectives were established to bring focus to the essential components of each goal. These strategic youth-focused objectives and the subsequent, related action steps uniquely fit the needs of many youth. Those that are projected to especially meet the needs of youth are:

- Sector strategies will be developed, with specific initiatives, to meet the skill, recruitment, and retention needs of employers and the training, employment, and career advancement needs of workers,
- Kentucky proposes to completely overhaul Kentucky's workforce development online service delivery by improving and expanding web-based tools and services,
- Kentucky pioneered the work-ready certificate with the implementation of the Kentucky Employability Certificate. That program became a model for other states. ACT, Inc., the organization that administers the WorkKeys assessments has expanded upon Kentucky's idea and created a nationally recognized credential called the National Career Readiness Certificate. Kentucky currently has dedicated staff to this single initiative.
- Tech-High: Much like many of our One Stop Centers suffer from an outdated identity of "unemployment offices", Kentucky's secondary technology centers also suffer from an outdated identity as the place to send the "undesirable" or "not-college-material" students. In order to shift the image, meaningful relationships with Kentucky high schools and Area Technology Centers around career development must be established and nurtured. Providing

Career Counselors in all Area Technology Centers, as well as those technical education facilities operated by local school boards, should be an area of focus for promoting relevant career pathways. It is being proposed that full time counselors be hired for 54 Area Technology Centers.

- An Apprenticeship Sales Force seeks to establish a partnership to market the benefits of registered apprenticeships to Kentucky businesses. The partnership would also look at marketing this educational/work alternative to secondary students through the promotion and development of pre-apprenticeship programs. Strategic benefits may also include specialty training to younger students. As an alternative to traditional post-secondary education, registered apprenticeships will appeal to a segment of the population concerned about earning a wage immediately while developing skills through a combination of hands on and classroom work. Apprenticeships also offer local workforce agencies an opportunity to discuss career pathways and training alternatives with customers.
- High School Outreach: Encourage local workforce investment boards to develop strong working relationships with middle and high schools in their regions. These relationships will be based on the One Stop Centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community these boards can provide. Based on strengthened relationships, local workforce investment boards should position themselves as expert problem solvers by targeting services to youth identified by the schools as at-risk of dropping out.
- GED Express: Lodge and Learn. This initiative is proposed to create an opportunity for unemployed individuals without a high school diploma to complete their GED in a compressed, four-week timeframe. Three pilot projects have been proposed.
- Work Ready Communities: KWIB proposes the certification of communities as "work-ready". Communities must apply for this certification and meet certain high standards for education attainment and credentialing in order to receive the status. This initiative provides opportunities for recognition of educational options, including technical education, two-year and four-year colleges, apprenticeships and specialty training to younger students.
- Case Management: This focus will require buy-in at the local and individual levels in order to produce a team of case workers who provide consistent approaches to service across the system. As a result youth and all customers will receive case management services delivered with consistency by trained professionals.

OET seeks opportunities for cross-agency collaborations that promote youth program services. This is best illustrated by the highly successful 2010 Subsidized Employment Program, funded by the Temporary Assistance for Needy Families (TANF) emergency fund through the American Recovery and Reinvestment Act (ARRA). The *WorkNow Kentucky* program was a collaborative effort of the state's workforce and human services agencies. Kentucky's Education and Workforce

Development Cabinet and the Cabinet for Health and Families Services worked together to administer the initiative through the state's 10 Local Workforce Investment Boards. Of the 9000 plus, low-income Kentuckians placed in jobs, almost 6900 were in the 16-24 age group.

The WorkNow Kentucky program provided youth who qualified with an opportunity to earn a paycheck, gain work experience and training a make valuable connections in the employer community at a time when Kentucky's unemployment rate was hovering at 10 percent and above.

2. Describe how coordination with Job Corps and other youth programs will occur. (§112(b)(18)(C).)

Job Corps is a visible partner in several one-stop centers and is represented on a number of local workforce investment boards and youth councils. Job Corps programs are utilized in the referral process for youth who may benefit from their programs and services. Kentucky will continue to assist local areas make the connection with Job Corps. Job Corps and the Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP) local workforce investment area has an exemplary relationship to help at risk youth who are in transition.

Kentucky has seven Job Corps Centers. Local one stop center staff and Job Corps staff work together to arrange group tours and orientation sessions as student schedules allow. These sessions are tailored to familiarize local youth with services and to reiterate system services, nationwide, to those out-of-state Job Corps students.

OET encourages local OET offices and LWIAS to include the seven Job Corps Centers in planning and notification of job fairs and special local youth programs that might incorporate or benefit their students.

3. How does the State Plan to utilize the funds reserved for Statewide activities to support the State's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:
 - a. utilizing the funds to promote cross agency collaboration;
 - b. demonstrating cross-cutting models of service delivery;
 - c. developing new models of alternative education leading to employment; or
 - d. developing demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successfully into the workforce pipeline with the right skills.

Funds reserved for statewide activities to support the state's vision for serving youth may be used to promote cross-agency collaboration while encouraging workforce investment system and education partners to bring youth into the workforce pipeline with appropriate skill sets. Kentucky provides notification and guidelines to local workforce areas on the availability of statewide reserve funds. Kentucky has

supported the participation of local areas in YouthBuild projects and continues to foster those collaborations that promote models for alternative learning and employment.

Kentucky experiences continued success with its funding and support of three Jobs for America's Graduates (JAG) model. This national school-to-career model serves approximately 100 out-of-school youth, ages 16-21, and is administered by the local workforce areas.

Jobs for Kentucky's Graduates (JKG), is an affiliate of Jobs for America's Graduates (JAG). JKG is a dropout prevention school-based program for at-risk youth. This WIA funded program is administered by the Kentucky Department of Education, with 27 site locations, serving approximately 400 students. Outcomes for these at-risk Kentucky youth are exemplary and Kentucky JAG programs have received national recognition.

4. Describe in general how the State will meet the Act's provisions regarding Youth program design. (§§112(b)(18) and 129(c).)

Kentucky supports the local workforce areas in designing youth programs tailored to the needs of in school and out-of school youth in local communities. Monitoring and technical assistance will continue to be provided to ensure that local area policies and procedures meet requirements of the WIA youth program design. Dedicated OET youth program staff disseminate updates and guidance from the U.S. Department of Labor and others.

Local areas welcome youth and encourage them to utilize one-stop services as needed. Areas have designed special referral processes for youth who come into one-stops and one area has developed two one-stop career centers specifically for youth.

KWIB's strategic plan has incorporated a variety of approaches for expanding and enhancing outreach to youth. An example is the High School Outreach, an Action Step, designed to increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development.

- F. Business Services. (§§112 (a) and 112(b)(2).) Provide a brief description of the types of services the State offers to businesses, and strategies to improve services to employers, including a description of how the State intends to:

1. Determine the employer needs in the local areas and on a Statewide basis.

In a letter to the Governor, dated May, 2010 from KWIB, board members stated that it is clear to the Board that there is need for transformation when considering the current financial and unemployment crisis coupled with the dynamic nature of business, industry and the world of work in a new and emerging economy. The

Board's *WorkSmart Kentucky* strategic plan introduces an aggressive redesign of the workforce services to adapt to the changing needs of employers. The plan is a bold strategy to transform the Commonwealth's current system to one that is demand-driven, business-led and solutions-based.

Several KWIB initiatives will assist in determining employer needs in the local areas and on a statewide basis.

- **The Sector Strategies initiative** is one of the key KWIB initiatives to achieve the best return on investment with limited resources to train and educate the workforce by addressing the employer needs of a specific industry sector. The needs of employers will be addressed by an intensive focus on the workforce needs of a specific industry sector over a sustained period, concentrating on a specific occupation or set of critical occupations within that industry, ensuring a pipeline of skilled workers to meet the employers' future workforce demands.
- **National Career Readiness Certificate** – increase awareness of educational and skills requirements for high-demand jobs. The NCRC is an assessment and credential used to document a job seeker's aptitude in three major areas of understanding: Applied Mathematics, Locating Information, and Reading for Information. The NCRC directly addresses the needs of today's workforce as well as that of the employer and trade and labor organizations. Today's businesses need a well-educated, skilled workforce to meet the challenges industries are facing in this enormous global economy. Individuals possessing an NCRC can provide potential employers with an assessment of their basic skills in math, English and locating information.
- **Apprenticeship Sales Force** – establishes a partnership to market the benefits of registered apprenticeships to Kentucky businesses. This initiative can be a tool for building a highly skilled workforce, helping business and industry increase their competitiveness, and provide sustainable wages for Kentuckians. The marketing opportunity must be understood and promoted by the business service representatives of each local board and become an integral part of the solutions-based business services model.
- **Work Ready Communities** – certification of a "work ready" community to ensure a skilled workforce for business and industry. The Work Ready Community strategy will assist Kentucky's communities in designing economic development strategies to attract new industries and preserve the wellbeing of their existing economic base. The certification is a means of demonstrating that a region's current labor force can fill existing jobs and meet the challenges of emerging industries.
- **Rapid Response Redesign** – provides support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of dislocations. Designate a local point of contact. The objective is to maximize the Commonwealth's Rapid Response resources aligning them with economic development goals around business development resulting in a more proactive

systemic approach compared to the current reactive response to business closings and layoffs.

- **Economic Development Academy** – local workforce investment board members, economic development authorities, local elected officials and members of the General Assembly representing the region come together for a one-day program to explore how each can work collaboratively to achieve community and statewide economic development goals. The objective is to educate key workforce stakeholders and others about the critical processes and strategies needed to improve Kentucky’s communities so they can succeed in the global economy.
 - Automation of Kentucky’s **Work Opportunity Tax Credit system** will provide a more expedited service to employers.
2. Integrate business services, including Wagner-Peyser Act services, to employers through the One-Stop delivery system.

Employers can post jobs and search resumes using **e3.ky.gov** Kentucky’s multi-audience web portal designed in response to a growing demand for integrated education, employment, and economic development. The system allows Kentucky to track the attainment of GEDs, postsecondary degrees and state-issued certifications, and display this information to users, including employers, in a wide variety of geographic formats. The system interfaces with EKOS, Kentucky’s workforce case management information system. All 10 local workforce investment boards use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system. The system is also the primary tool used by OET to perform job matching services under Wagner-Peyser.

In August 2010, a new vendor, Burning Glass Technologies, was selected to customize, develop and integrate new technologies into the current EKOS and e3 systems. The “Focus Talent for Employers” will replace the e3 employer module, create a more employer-friendly and robust job posting mechanism, provide email resume alerts, match jobs to resumes automatically and rank matches using Artificial Intelligence. Proposed statewide training and launch is July 2011.

As One-Stop Career Centers are upgraded or remodeled, Kentucky takes into consideration allowing for more esthetic business areas or sections in the One-Stop. The areas dedicated to businesses could include interview areas, assessment areas and display labor market and local workforce literature relevant to the employer. Where applicable, One-Stops could have a dedicated business wing.

Although all local workforce investment areas have a dedicated business services team, a major initiative to further integrate business services is the KWIB Rapid Response Redesign project. To best meet the challenges of serving businesses in the Commonwealth, Kentucky issued an RFP in 2011 to hire a consultant to assist in moving Business Services and the Rapid Response system from a fundamental level of performance to an enhanced level of performance at both the state and local levels.

Under this initiative, local areas or regions will have a dedicated Business Service Unit made up of One-Stop partners and have a local point of contact who will take a more proactive approach to planning for and managing economic transition. Kentucky intends to change the image of Rapid Response from responding to economic crises to managing economic changes through building relationships and sharing information among all stakeholder groups. In an effort to avert layoffs or closures, the Rapid Response Business Services Unit will develop aversion strategies with other partners and organizations.

Kentucky is undertaking automation and enhancements of Unemployment Insurance/Tax services. The strategy is to move the procedure for UI appeals and tax processes from a primarily manual and time intensive method to an electronic process. A training program covering all aspects of the UI process is under development, including mock appeals hearings, which can be delivered in person or through a web-based application.

3. Streamline administration of Federal tax credit programs within the One-Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i).)

Applications for the Work Opportunity Tax Credit (WOTC) have substantially increased since new legislation in January 2009 introduced two new target groups, disconnected youth and unemployed veterans. This increase in volume, along with the need to provide incentives for hiring, prompted Kentucky to initiate new measures to streamline the application and certification process. Kentucky developed an automated on-line system that provides self-service functionality and batch application uploads for employers and an automated verification of eligibility for the four largest target groups--individuals and veterans receiving food stamps (SNAP), individuals receiving assistance for families with needy children (TANF) and individuals who are long term family assistance recipients. The automation will reduce turnaround time from 18 months to less than three months for issuance of most certifications in the current tax year.

The WOTC program information is available to businesses and job seekers through all Kentucky One-Stop Career Centers, local employment services offices and the OET website. By acting as information brokers to promote the tax credit program to customers, staff has been able to streamline the tax credit process. Local area business services teams promote the program to employers as an incentive for creating new jobs and for hiring individuals with obstacles to employment. Eligible individuals living in empowerment zones and ex-felons will be provided the option to attach an informational sheet to their job applications that explains the potential tax credit for the employer who places them in a job.

- G. Innovative Service Delivery Strategies. Describe innovative service delivery strategies the State has or is planning to undertake to maximize resources, increase service levels,

improve service quality, achieve better integration or meet other key State goals. Include in the description the initiative's general design, anticipated outcomes, partners involved and funds leveraged (e.g., Title I formula, Statewide reserve, employer contributions, education funds, non-WIA State funds). (§112(b)(17)(A).)

1. Describe how the State will increase services to workers in need.

Partnering for Success initiative is bringing together all the partners in the Department of Workforce Investment to develop a unified approach to delivering holistic services. The goal of these institutes is to create networking opportunities, create awareness of the services each partnering agency delivers and assemble the full array of services delivered to our customers in a manner that is efficient, effective and holistic in nature.

The Workforce Development Cabinet, Department of Workforce Investment (within the Cabinet) and the agencies within the Department have taken a hard look at assessing where we are as it relates to integration and service delivery in a concerted manner. Where we want to go as a Department developed to create training and employment opportunities and how we will get to a fully integrated system that provides the ultimate customer service in a consistent solutions based approach that engages mandated and non-mandated partners to serve at the table.

A service tapestry will be designed by July 1, 2011, that brings offerings of services in a holistic manner to both the business and individuals seeking to improve their lives. Partner agencies will have identified duplication of services, create common forms such as (referrals, orientations, assessments, triaging etc.) to be shared throughout and among partner agencies, while continually identifying opportunities.

One-Stop Centers will develop implementation plans to meet the objectives of the tapestry by December 31, 2011. Meetings will focus on true integration, continuity and consistency of service, cost allocation planning and functional supervision, to mention a few, this initiative will lead us towards identifying and addressing the needs of the system. These efforts will be carried out over the next 18 months to move One-Stop Centers from where they are now to where we want to go.

2. Describe how the State will support the full range of One-Stop Career Center customers in acquiring the skills needed to attain jobs in high-growth, high-wage industries and occupations, including such supports as needs-based payments, basic skills remediation, English as a second language, and supportive services.

As part of the Partnering for Success effort mentioned above, there will be three Partnering for Success Institutes that will build on each other in providing education and training to all partners on best practices in serving all customers that we serve. Our Workforce Development Academy initiative will be a training opportunity for all partners in One-Stops and at every level of the system from the front-line staff to central office staff on roles and responsibilities in helping customers acquire skills

needed. By engaging the entire system in this process, we believe this will promote value in our craft and create buy-in. This approach will create a consistent desire of our system to increase current skill sets, assist in recognizing areas of growth and garner an overall appreciation of having a voice in the direction of the system.

Sector strategies initiative is providing regional institutes for consensus decision making to identify targeted sectors by region. Once sectors have been identified, an Industry Partnership request for proposal will then be released. This will assist the workforce systems education and training partners in developing the talent pipelines that will support those sectors.

Some Statewide Reserve and Incentive grant projects include Skill Up and the Career Counseling project.

3. Describe how the State will ensure education and training delivered through the workforce system results in education and workforce skills of demonstrated value, and focus assessments and certifications towards the next level of education and employments.

The Skill Up initiative is a joint project with KCTCS and KYAE adapting the I-Best model. Skill Up incorporates innovative technology based GED programming, and integrates 21st Century skills through problem-based, employment-embedded learning activities.

Additionally, we will supplement the talent pipeline by applying to Jobs for the Future to participate in the ABE to Credentials Initiative. This initiative will assist low-Skilled Adults Enter and Succeed in College and Careers. The focus of this strategy is to help low-skilled adults prepare for and succeed in occupational and technical degree programs. Counteracting high attrition rates in adult basic education and developmental education programs. This endeavor will develop strategies that create effective pathways through pre-college and degree-level programs and result in college completion. The initiative is proving that low-skilled adults can advance through remediation and credential programs within a reasonable time and with reasonable success.

The Career Pathways Technical Assistance project Kentucky received which is funded by the US Department of Labor has provided valuable insights on Pathways within specific sectors of employment. This project is being tested in Green River LWIA and Barren River LWIA and focuses on the healthcare industry. This has already proven to promote coordination and collaboration of services as well as, vitally engaging the business community to share in resources and the development of a talent pipeline to continually feed this targeted industry. The opportunity to create the avenue for individuals to earn a sustainable wage, while at the same time meeting employer demand in a solution based approach has energized the two above mentioned regions.

In partnership with KYAE, we have been conducting an outreach campaign entitled Know How to Go. www.knowhow2go.com . This campaign engages students beginning at middle school age through Seniors in High school to charter a path towards enrolling into college. This step by step web-based approach engages students to understand what steps to take leading up to enrollment, including which courses to take, how to secure funding, and various benefits of a post-secondary career. This website also reaches out to adults that may need to enter or re-enter post-secondary education.

The Commonwealth is now researching the National Skills Coalition's Skill Up America campaign to create public support. National Skills Coalition organizes broad-based coalitions seeking to raise the skills of America's workers across a range of industries and advocating for public policies that invest in what works. www.nationalskillscoalition.org

4. Describe how the State will strategically use youth, dislocated worker and adult statewide funds to quickly deliver innovative services.

The Breaking Through initiative with KCTCS is part of the Skill Up initiative as mentioned above, Breaking Through helps low-skilled adults acquire skills necessary to succeed in postsecondary education and attain credentials. It rests on four high-leverage strategies to develop career and college pathways for students to advance their studies or enter family-supporting careers.

- **Accelerated Learning:** Innovative use of assessment tools, restructured curricula, targeted instruction, contextualization, and other strategies, change delivery methods and content so that students can meet their goals faster.
- **Comprehensive Support Services:** Makes academic, economic, and social support services easily accessible to students whose life challenges put them at risk of not completing their education.
- **Labor Market Payoff:** Restructure both pre-college and college-level instruction to connect education with the workplace, connecting students with actual employers and workplaces.
- **Aligning programs for low-skilled adults:** Reorganize college programs and link them with external programs to provide students with a better understanding of how they can move into and through college, and to provide clear pathways that enable them to do so

The Libraries and Archives initiative to create online access is a method of ensuring universal access for our customers. This effort strategically places computers within libraries so individuals can file claims, perform work search and register for career center services.

State and Local Innovation Funds provide resources to support statewide and regional strategies

Strategically investing Statewide Reserve funds is key to transforming the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.

Recommendations for the use of Statewide Reserve funds as listed below, are based on the priorities established by KWIB in the WorkSmart Kentucky strategic plan.

- ***State Innovation Fund - \$1,450,000***

These resources will be invested in statewide projects that support system transformation and the four goals of KWIB: 1) align the Commonwealth's workforce development system with Kentucky's education objectives; 2) align the Commonwealth's workforce development system with economic development strategies; 3) simplify the workforce development service delivery system and 4) improve service to achieve a customer-centered delivery system.

- ***Local Innovation Fund - \$1,450,000***

These resources will be invested in locally initiated projects that support system transformation and the four goals of KWIB as outlined in the State Innovation Fund above.

- ***Performance Incentive Fund - \$750,000***

Provide resources to Local Workforce Investment Boards based on performance. These funds will be distributed on a formula bases to those areas that exceed negotiated performance standards. They are typically used to support local innovation, modernization and system improvements.

- ***Outreach - \$500,000***

The KWIB Branding/Identity initiative is currently underway. Once this work is completed, these funds will be used to carry out the workforce development system changes reflecting the new branding and identity strategy at all levels of the system.

- ***Workforce Academy - \$500,000***

This initiative will result in a comprehensive training program for all staff at each level of the workforce system. It will support consistency and quality across Kentucky.

- ***High School Outreach - \$250,000***

The resources will encourage local workforce investment boards to develop strong working relationships with middle and high schools. These relationships will be based on the One Stop Centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community. This investment supports statewide refinement and implementation of a work ethic program.

- ***Rapid Response Redesign - \$250,000***

This effort will evaluate and enhance Kentucky's delivery structure based on best practices across the country. The intent is to provide support to Kentucky

companies throughout the business lifecycle as opposed to predominantly times of dislocation. Local workforce Boards will be able to apply for planning funds to support the redesign efforts.

- ***Pre-Apprenticeship Phase 2 - \$250,000***

In the previous year, the Commonwealth seeded several projects to advance the pre-apprenticeship model. These resources will build upon that initial investment.

Based on current activities under the *WorkSmart Kentucky* strategic plan, long-term investments have been identified as:

- One-Stop Certification
- Sector Strategies Development Fund
- GED Express
- Work Ready Community Roll-out
- Economic Development Academy
- Workforce Development Academy
- High Performance Workforce Investment Board

In 2010, the Education and Workforce Development Cabinet released an RFP to local workforce investment boards soliciting applications for funding of a High-Demand Sector Subsidized Employment Internship program with emphasis on the long-term unemployed. Four local workforce investment boards responded with proposals targeting the internships in critical sectors of their respective regions.

GED Express will provide a compact service delivery opportunity for youth, adults and dislocated workers. This will create opportunity for dislocated workers or other unemployed or under-employed individuals without a high school diploma to complete their GED in a compressed four (4) week regimen. A “boot-camp” setting (if you will) will leverage resources such as, State parks and Universities to provide overnight accommodations. Career exploration opportunities will be incorporated. System partners will also engage students in the form of an orientation, that will highlight and outline the benefits of being engaged in the workforce system has to offer.

5. Describe how the State will align workforce activities with education strategies and economic and community development strategies to meet skill needs of jobs and industries important to the local and regional economies and meet the needs of under-skilled adults.

Steering committees will provide leadership and direction for the State in key initiatives such as:

Sector strategies: Building the “talent pipeline” that addresses high demand and high growth industries. Utilizing and leveraging resources in a concerted effort that targets specific occupations and career tracks. This methodology will assist in aligning the Commonwealth’s workforce development system with economic development strategies. This approach will assist existing business with a skilled workforce, reduce turnover, increase retention and attract new business to relocate to the State of Kentucky.

Workforce Development Academy: As mentioned within this document will provide training opportunities for all partners in One-Stops and at every level of the system from the front-line staff to central office staff on roles and responsibilities in helping customers acquire skills needed.

Economic Development Academy: This academy will be a critical use of resources engaging all partners that have an impact on economic vitality either directly or indirectly. Directly involving key members from within economic development to develop awareness, provide insight as to the direction of emerging trends and to fortify a relationship that is critical in utilization of resources.

Our High Performing WIBs initiative will instill a technical assistance and recognition program for Local Workforce Investment Boards. Local boards are in control of a large percentage of workforce investment resources. Assuring that the boards are active and engaged in garnishing the desired return on investment will help realize the Commonwealth’s vision. Assessments will address areas as:

- Effective utilization of current information to drive policy and investments
- Investment of resources that promote the development of skills and career ladders
- Targeting of key industry clusters and developing innovative approaches to improve their competitiveness
- There is a clear strategy that is aligned with relevant regional resources
- An integrated business services approach that is solution based and employer driven
- Fully accessible services to both business and job seekers
- An established youth strategy aligned with regional and State-wide demand occupations
- Sound fiscal practices, Board input and ensuring that the WIA investments are aligned with the strategic direction of the Board.

Work Ready Communities initiative will support local and regional conversations and planning. This strategy harnesses Kentucky’s desire to remain economically competitive. In order to attract new business and industries our communities must promote the availability of their skilled workforce. This initiative will provide business and industry with the assurance of the availability of this crucial resource.

Communities will apply for this certification and will meet certain thresholds of standards related to educational attainment and credentialing to be in contention of this status. Once certification is obtained, communities will be presented with a certificate as well as, a template that may be used to create signs demonstrating that they are a “Work Ready Community”. Achievement will be recognized by the Governor and publicized in local and state media.

Realizing Industry Partnerships are a key institutional innovation for meeting the skill needs of businesses, the career goals of workers, and the economic development goals of the Commonwealth, Kentucky intends to issue an RFP to the local workforce investment boards to bring together multiple employers, and workers or worker representatives when appropriate, in the same industry cluster to address common or overlapping human capital needs. The expectation of the Industry Partnership is to develop a deep, thorough and forward-looking understanding of the human capital needs and critical challenges of the industry cluster through the regular interaction of partnership members, trade associations and industry experts.

As stated previously, several Statewide Reserve funding initiatives have been identified that align workforce activities with education strategies and economic and community development strategies to meet skill needs of jobs and industries important to the local and regional economies and meet the needs of under-skilled adults. Through partnerships including Kentucky Adult Education and the Kentucky Community and Technical College System (KCTCS), several initiatives have been identified such as Skill Up Kentucky, GED Express, Career Pathway initiatives, Rapid Response Redesign, energy specific training and Pre-Apprenticeship and Prescription for Success initiatives. The Education and Workforce Development Cabinet continues to seek innovative projects that produce sustainable economic and job growth and meet the four goals of KWIB.

- H. Strategies for Faith-based and Community Organizations (§112(b)(17)(i).) – Reaching those most in need is a fundamental element of the demand-driven system’s goal to increase the pipeline of needed workers while meeting the training and employment needs of those most at risk. Faith-based and community organizations provide unique opportunities for the workforce investment system to access this pool of workers and meet the needs of business and industry.
1. Describe those activities to be undertaken to:
 - a. increase the opportunities for participation of faith-based and community organizations as committed and active partners in the One-Stop delivery system; and
 - b. expand the access of faith-based and community-based organizations' clients and customers to the services offered by the One-Stops in the State.

Faith-based and community organizations (FBCOs) have been essential in outreach to their constituencies for the workforce system particularly with specialized support. As a result of community involvement and engagement, Kentucky has increased the

number of faith based and community organizations participating in one-stop events and referring customers to the one-stops. Faith based and community organizations are active in competing for opportunities to provide services and as work sites for participants. Local areas include FBCOs in all competitive RFPs and as subcontractors for special grant initiatives.

There was significant participation by faith-based and community organizations in the Summer Youth Employment program in 2009, as service providers and by providing worksites.

2. Outline those action steps designed to strengthen State collaboration efforts with local workforce investment areas in conducting outreach campaigns to educate faith-based and community organizations about the attributes and objectives of the demand-driven workforce investment system.

To prepare workforce investment staff in this coordination effort, staff attended several conferences and workshops to develop skills for collaborating and coordinating with FBCOs. On a state level, staff will be a resource for information sharing on available grant opportunities, grant-writing, and best practices in connecting local workforce investment areas to FBCOs. This may be in the form of workshops on grant writing, how to search the web for grant opportunities, and best practices on effective collaboration and coordination efforts.

The Education and Workforce Development Cabinet may strengthen state collaboration efforts between FBCOs, state agencies and local workforce investment areas by:

- promotion and encouragement by cabinet and department administration;
- being comprehensive and aggressive in responding to the new federal guidance in the collaboration and outreach opportunities with FBCOs;
- designate trained staff to provide technical assistance to include federal and/or state guidelines and best practices. Forums may include workshops and/or educational opportunities on resource sharing, grant-writing, and strategic planning. Staff will also respond to constituent inquiries for dissemination of information; and
- Web-based information available to consumers with tools and information regarding workforce and FBCO collaboration efforts.

The state also reinforces the value of FBCOs as training providers to maximize consumer choice. For example, there are a number of private, faith-based post-secondary and health care institutions that offer programs approved for the state's Eligible Training Provider List (ETPL).

For the Local Workforce Investment Area Local Plans, OET specifically requested the local areas provide examples of strategies for Faith-based and Community

Organizations to increase the opportunities for their participation as committed and active partners in the One-Stop delivery system.

Local areas refer customers to FBCOs when appropriate as part of their employment plan, coordinate services specifically for special needs populations and recent immigrant members of a community and share resources for extensive network referrals.

3. Indicate how these resources can be strategically and effectively leveraged in the State's workforce investment areas to help meet the objectives of the Workforce Investment Act.

Connecting faith-based and community organizations to the one-stop system continues to be a goal and for all individuals to have access to all available services within their communities. Existing connections will serve as the foundation for encouraging participation and leveraging of resources in communities. Inclusion of FBCOs in the KWIB strategic plans initiatives will foster increased leverage.

X. State Administration

- A. What technology infrastructure and/or management information systems does the State have in place to support the State and local workforce investment activities such as a One-Stop operating system designed to facilitate case management and service delivery across programs, a State job matching system, web-based self service tools for customers, fiscal management systems, etc.? (§§111(d)(2), 112(b)(1) and 112(b)(8)(B).)

Kentucky's technology infrastructure is being enhanced to align with the KWIB initiative, System Transformation. Steps have begun to make the state's information systems more user-friendly, provide tools to analyze data for regional and statewide sector strategies and to provide on-line services that are identifiable to the system's customers.

The commonwealth's network of one-stops and local offices are connected and supported by America's One-Stop Operating System (AOSOS), which in Kentucky is named EKOS. The system is web-based and provides the functions required to meet the business requirements of core Workforce Investment Act and DOL Employment and Training programs. The system is driven by a consortium of states and is customized for the specific needs of each member state. The AOSOS system was originally developed using USDOL/ETA funding.

EKOS is integrated with the state's unemployment (UI) system to transfer claimants' basic work registrations to the state's job bank and has the capabilities to support all WIA and USDOL/ETA programs. The system provides universal registration intake and case management, collects required data for federal reporting and provides administrative features that allow flexible security management, multi-agency use, deployment of custom data screens, and interfaces with other state systems.

Although EKOS provides self-service functions, Kentucky has undertaken a major enhancement project that will leverage the power, stability and flexibility of EKOS to streamline and improve customer services and employment outcomes. The commonwealth purchased the Career Focus product from Burning Glass, Inc., which adds a comprehensive suite of web-based solutions to support job seekers, employers, and employment specialists with a full range of job placement and career exploration activities, including resume building, intelligent matching, robust searching, gaps analysis, training referral, and career mapping. The application uses artificial intelligence to match people with jobs based on how specific job seeker skills, qualifications, and experiences fit into recognized patterns of placement – and not simply based upon keyword or O*NET code. The new technology will interface with the existing EKOS to provide powerful, accessible, and efficient job search and career development services.

The new technology will enhance and expand the employer and job seeker self-service functions to increase outcomes without increasing the demand for staff

services. The application will identify job seekers most likely to benefit from high impact retraining and/or to flag cases more effectively for early intervention and intensive services. It will help to identify population-wide skills gaps between the workforce and high-demand occupations, identify the industries that are hiring and the specific jobs, skills, and qualifications they are seeking.

Through data sharing agreements with America's Job Exchange (AJE) and Direct Employers Association (Job Central) job listings posted by employers and resumes posted by job seekers to Kentucky's job bank are provided a regional, national and global approach that gives them broad access to the labor market.

Kentucky provides one-stop partners with an integrated reporting tool that allows them to create custom reports without relying totally on the state's technology development staff. Real-time data can be extracted from multiple information systems to produce meaningful reports that allow for better business decisions at all levels of the system. Ready-to-run reports have also been created that allow users to select date range, location, or other specific parameter for easily accessible reporting.

OET uses the following technology infrastructure for financial data collection and reporting processes to support state and local workforce investment activities:

- Enhanced Management Administrative Reporting System (eMARS) is an internet-based system used for accounting and financial reporting. The system is used to record and report financial transactions at the state level for all grants received from USDOL and any awards passed through the state to the ten local workforce investment boards. Financial data is extracted from this system for submittal to USDOL via their Grantee Reporting System (form 9130) for *State level* revenues and expenses related to state administrative and program grants.
- WIA On-line Reporting for Kentucky (WORK) system is an internet-based system that is maintained by OET for use by the state's ten local workforce investment boards (LWIBs) to report revenues and expenses incurred for WIA programs. Financial data is extracted from this system to supplement reports filed with USDOL via their Grantee Reporting System (form 9130) for the LWIBs' expenses incurred for the WIA programs.

B. Describe the State's plan for use of the funds reserved for Statewide activities under WIA §128 (a)(1).

State and Local Innovation Funds provide resources to support statewide and regional strategies. Strategically investing Statewide Reserve funds is key to transforming the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.

Recommendations for the use of Statewide Reserve funds, as listed below, are based on the priorities established by KWIB in the WorkSmart Kentucky strategic plan.

- ***State Innovation Fund - \$1,450,000***
These resources will be invested in statewide projects that support system transformation and the four goals of KWIB: 1) align the commonwealth's workforce development system with Kentucky's education objectives; 2) align the commonwealth's workforce development system with economic development strategies; 3) simplify the workforce development service delivery system, and 4) improve services to achieve a customer-centered delivery system.
- ***Local Innovation Fund - \$1,450,000***
These resources will be invested in locally initiated projects that support system transformation and the four goals of KWIB as outlined in the State Innovation Fund above.
- ***Performance Incentive Fund - \$750,000***
Provide resources to local workforce investment boards based on performance. These funds will be distributed on a formula bases to those areas that exceed negotiated performance standards. They are typically used to support local innovation, modernization and system improvements.
- ***Outreach - \$500,000***
The KWIB Branding/Identity initiative is currently underway. Once this work is completed, these funds will be used to carry out the workforce development system changes reflecting the new branding and identity strategy at all levels of the system.
- ***Workforce Academy - \$500,000***
This initiative will result in a comprehensive training program for all staff at each level of the workforce system. It will support consistency and quality across Kentucky.
- ***High School Outreach - \$250,000***
The resources will encourage local workforce investment boards to develop strong working relationships with middle and high schools. These relationships will be based on the one stop centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community. This investment supports statewide refinement and implementation of a work ethic program.
- ***Rapid Response Redesign - \$250,000***
This effort will evaluate and enhance Kentucky's delivery structure based on best practices across the country. The intent is to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of

dislocation. Local workforce boards will be able to apply for planning funds to support the redesign efforts.

- ***Pre-Apprenticeship Phase 2 - \$250,000***

In the previous year, the commonwealth seeded several projects to advance the pre-apprenticeship model. These resources will build upon that initial investment.

Based on current activities under the *WorkSmart Kentucky* strategic plan, long-term investments have been identified as:

- One-Stop Certification
- Sector Strategies Development Fund
- GED Express
- Work Ready Community Roll-out
- Economic Development Academy
- Workforce Development Academy
- High Performance Workforce Investment Board

C. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also performance management and accountability systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter (TEGL) 17-05, Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues, issued February 17, 2006.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses these data to continuously improve the system.

1. Describe the State's performance accountability system, including any state-system measures and the state's performance goals established with local areas. Identify the performance indicators and goals the State has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. For each of the core indicators, explain how the State worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the State's previous outcomes as well as with the State-adjusted levels of performance established for other States (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services to be provided. Include a description of how the levels will help the State achieve continuous improvement over the life of the Plan. (§§112(b)(3) and 136(b)(3).)

OET's Performance Unit is responsible for oversight of the state and local Workforce Investment Act and Wagner Peyser performance. Performance staff develop policies and guidelines addressing performance-related issues and also provide technical assistance to local areas. In preparation for negotiating new statewide performance measures with the U.S. Department of Labor, the performance staff work closely with OET's Research and Statistics branch.

Kentucky was granted a waiver by USDOL of the 17 performance measures under WIA Section 136(b), and the performance measures authorized by the Wagner-Peyser Act, the Jobs for Veteran's Act, and the Trade Adjustment Assistance Act. In their place, the state reports under the "common measures" as defined by USDOL. The value of implementing common measures is the ability to describe in a similar manner the core purposes of the workforce system: how many people found jobs; did they stay employed, and what did they earn. USDOL has identified and is requiring nine performance measures of state and local programs. The measures are defined for intensive services and training activities, and include:

ADULT	DEFINITION
Entered Employment	Adult participants who are employed in the first quarter after the exit quarter.
Employment Retention	Adult participants who are employed in both the second and third quarters after the exit quarter.
Average Six-month Earnings	Total earnings in the second plus the total earnings in the third quarters after the exit quarter.
DISLOCATED WORKER	DEFINITION
Entered Employment	Dislocated worker participants who are employed in the first quarter after the exit quarter.
Employment Retention	Dislocated worker participants who are employed in both the second and third quarters after the exit quarter.
Average Six-month Earnings	Total earnings in the second plus the total earnings in the third quarters after the exit quarter.
YOUTH	
Placement in Employment or Education	Youth participants who are in employment (including the military) or enrolled in post-secondary education and/or advanced training/occupational skills training in the first quarter after the exit quarter.
Attainment of a Degree or Certificate	Youth participants who attain a diploma, GED, or certificate by the end of the third quarter after the exit quarter.
Literacy and Numeracy Gains	Youth participants who increase one or more education functioning levels.

Local boards must negotiate performance standards for Adults, Dislocated Workers, Older Youth and Younger Youth. Performance analysts monitor key employment indicators to project the impact of the economy on the labor market and the result on performance rates, both statewide and by local workforce area.

A description of the types of data that Kentucky and the local workforce boards use in developing common performance goals follows:

An LWIA-level report is generated with historical data for each measure. If there are questions about the data in this report, it is discussed during the negotiation process. Other information is brought to bear on the analysis to develop a structured rationale supporting the proposed goals. This rationale will show how the various factors affecting performance, such as economic conditions, characteristics of the population served, and program design, will cause future performance to vary from the historical if the proposed levels vary significantly from the historical levels.

Changes in the local economy and the impact of changes on the population to be served, especially in regards to employability are analyzed using regression data. The regression model focuses on the common measures. Although common measures are based on the employment outcomes of the participants, these measures cannot be used to assess the effectiveness and impact of each local area without appropriate adjustments for the effects of local labor market conditions and the individual abilities and qualifications of the participants. Therefore unadjusted performance measures combine the true value added effects with the effects of local labor markets and personal characteristics.

Boards may bring additional factors that are relevant to their area to the negotiation process. The negotiation team must be prepared to define these factors in objective terms and provide any data used to support an argument that the factors have an impact on projected performance. An estimate of projected performance range is based on the net impact of all factors. The table below depicts the state's performance goals established with local areas for PY 2010. Negotiation for PY 2011 will take place later this year.

PY10 Local Negotiated Performance Goals

	West KY	TENCO	Northern KY	LT	Green River	Barren River	GLWIB	EKCEP	CWIB	Bluegrass
<u>ADULT</u>										
EER	73%	82%	78.0%	79.0%	85.0%	75.0%	79.0%	83.5%	81.0%	87.0%
RR	84%	89%	85.0%	89.0%	88.0%	81.0%	86.0%	86.0%	86.0%	90.0%
AE	\$13,900	\$13,700	\$12,750	\$14,300	\$12,500	\$9,200	\$15,500	\$11,200	\$10,800	\$13,600
<u>DW</u>										
EER	80%	85%	90.0%	73.0%	87.0%	62.0%	73.0%	84.0%	78.0%	72.0%
RR	87%	93%	87.0%	90.0%	90.0%	91.0%	90.0%	89.0%	88.0%	90.0%
AE	\$13,200	\$13,200	\$14,500	\$13,650	\$14,000	\$11,500	\$14,800	\$13,200	\$10,900	\$13,200
<u>YOUTH</u>										
PLACEMENT	65%	57%	57.0%	72.0%	67.0%	81.0%	65.0%	65.0%	75.0%	48.0%
ATTAINMENT	68%	70%	50.0%	47.0%	47.0%	70.0%	52.0%	54.0%	78.0%	58.0%
LITERACY	40%	74%	65.0%	52.0%	51.0%	48.0%	55.0%	48.0%	66.0%	59.0%

The economic downturn has been harsh to Kentucky. While the economic trends in recent months appear to show improvement, unemployment rates remain between nine to ten percent or higher. Due to increasing unemployment and continued employer instability, Kentucky is striving to set challenging, yet realistic, goals that adequately reflect the economic climate throughout this region.

For program years PY01 – PY08 Kentucky surpassed its targets for Adults and Dislocated Worker Entered Employment Rates. However, in PY09, the Entered Employment rate for Dislocated Workers declined by 2.8%, a period when employers were hesitant to hire new employees. It is anticipated that this rate will continue to decrease. Although Kentucky has been successful in maintaining employment retention in the previous years, the retention of employees is expected to decrease over time due to continued high unemployment rates and increased layoffs.

For the fourth consecutive year Kentucky surpassed its target for Adult and Dislocated Worker *Average Earnings*, although it is anticipated that the average six month earnings will adjust downward as total earnings are directly correlated with employment retention.

Although Kentucky surpassed its Youth target goals for *Placement in Employment or Education, Attainment of a Degree or Certificate, and Literacy or Numeracy Gains*, it is anticipated that these rates will continue to decline as the unemployment rate among youth is significantly higher than the adult and dislocated worker populations due to increased competitiveness for jobs. Employers are hesitant to hire new employees due to the current economic conditions, but when they do hire, they tend to hire workers with previous work experience over youth who lack work experience, training, and/or credentials. With the consistent increase in the unemployment rate over PY09 and the resulting decrease in job openings, fewer youth have motivation to complete a training program or complete their GED. The decline in labor market conditions has been a crucial factor in youth outcomes with fewer families able to support youth in their efforts which has resulted in their dropping out at an increasing rate.

The EKOS serves as the state's data collection system for reporting and performance accountability. EKOS has the functionality and capacity to collect and report WIA, Wagner-Peyser, Veterans, Trade, and related programs' performance outcomes consistent with federal requirements as specified in TEGL 17-05 for Common Measures. Kentucky tracks and reports services and activities by local workforce area, office site, partner/agency, and also by individual staff member.

Kentucky uses DART software application to produce the quarterly and annual reports for WIA and Wagner-Peyser, although, development began in January 2011 on an in-house reporting system using Business Objects (a product of SAP AG). The new system will be deployed for the PY12 annual and quarterly reports. All report data is validated through US DOL approved software, DRVS and/or EBSS. Local

boards will have access to this new reporting system, which will allow them to review their current performance status. The system will allow users to drill down to the participants that are included in the calculations behind the performance outcomes.

Kentucky also utilizes Crystal Reports, which is a reporting application that allows staff to review participant information that has been entered into the state's shared information system, EKOS. EKOS is used by all LWIBs, OET, and several of the one-stop partners to create a truly transparent and integrated service delivery system. This combination of a shared information system and custom reporting tools provides a means to monitor participant enrollment and the activities and services that are provided. Crystal Reports allows staff to obtain reports on a wide range of criteria, such as customers, services, providers, specific time periods, specific cohorts of participants (Adults, Dislocated Workers, Youth, Summer Youth, and Trade) registrants, or exiters, etc. It also allows staff to design reports based upon the elements and parameters they select.

2. Describe any targeted applicant groups, such as TANF recipients, veterans, ex-offenders, and migrant and seasonal farm workers, under WIA title 1, the Wagner-Peyser Act or title 38 chapters 41 and 42 (Veterans Employment and Training Programs) that the State tracks. (§§111(d)(2), 112(b)(3) and 136(b)(2)(C).)

Kentucky tracks specific targeted applicant groups required by DOL as part of its annual report requirements. OET maintains an internet accessible data warehouse that is available to any state and local staff who have secured access to the Crystal Reports which is used to access and provide reports on the information for targeted applicant groups including TANF recipients, veterans, ex-offenders, workers adversely affected by foreign trade and migrant and seasonal farm workers. This data warehouse can also be accessed using Business Objects software application. Numerous reports can be generated that track targeted populations based on services received, participant characteristics, co-enrollment and caseload management. The data is refreshed daily and reports allow staff to monitor program and participant activities for active as well as exited participants.

Kentucky closely monitors and analyzes the characteristics of its veterans' population to identify current and changing trends that may impact their reemployment service needs and the state's service plan to meet those needs. There are approximately 32,243 veterans using the commonwealth's employment services. Of this number 14,556 are between 18-44 years old, 8,636 are between 45 – 54, and 8,944 are over 55 years of age. Of the four main veteran categories, disabled veterans, 8,680, and recently separated veterans, 5,455, constitute the largest categories of veterans using the employment services of the commonwealth. The veteran population, over 55 years of age, constitutes 27 percent of all veterans using the commonwealth's employment services. Additionally, the recently separated veteran population makes up an additional 17 percent of the veterans using the employment services of the commonwealth.

These two categories of veterans receive additional emphasis in provision of employment services.

3. Identify any performance outcomes or measures in addition to those prescribed by WIA and what process the State is using to track and report them?

Kentucky does not impose additional performance outcomes under the WIA Title IB. However, performance outcomes are tracked and reported for the following programs:

Veterans Program:

The performance goals for Public Labor Exchange for Veterans are tracked as are performance goals for grant-based activities. These measures are reported on the 9002 and VETS200 federal reports.

Veterans Performance Goals for Public Labor Exchange:

Veterans Entered Employment Rate following Staff-Assisted Services

Veterans Employment Retention Rate

Disabled Veteran Entered Employment Rate

Disabled Veteran Entered Employment Rate following Staff-Assisted Services

Disabled Veteran Employment Retention Rate

Performance Goals for Grant Based Activities:

LVER Veteran Entered Employment Rate

LVER Veteran Entered Employment Rate following Staff-Assisted Services

LVER Veteran Employment Retention Rate

DVOP Veteran Entered Employment Rate

DVOP Veteran Entered Employment Rate following Staff-Assisted Services

DVOP Veteran Employment Retention Rate

DVOP Veteran Entered Employment Rate following receipt of Case Management

Migrant Indicators of Compliance (MIC)

Applicants identified as eligible for migrant status are tracked and reported on the federal Migrant Indicators of Compliance Report (MIC). The categories include:

- Migrant Farm Worker
- Migrant Food Processor
- Migrant Tech Worker
- Seasonal Farm Worker

The MIC Report compares services provided to migrant farm workers, seasonal farm workers, and migrant food processing workers (MSFW) to services for all non-MSFW job applicants. Report statistics measure the equality of service for migrant and non-migrant applicants.

Trade Act Program:

Participants served under The Trade Act are tracked and reported on the Trade Act Participant Report (TAPR). The TAPR tracks program performance and participant outcomes and consists of records for current participants and those who have exited the program for five quarters after exit. The performance goals as outlined by DOL are Wage Replacement, Reemployment Rate and Retention Rate.

Kentucky uses EKOS to track and report all performance measure outcomes prescribed by WIA as well as other programs that require tracking and reporting of performance outcomes. Currently Kentucky uses DART to produce its quarterly and annual reports for the Veterans Programs. In January 2011, Kentucky began the process of developing its own reporting system using Business Objects (a product of SAP AG). Kentucky intends to utilize this new system for the PY12 reporting.

4. Describe the State's common data system and reporting processes in place to track progress. Describe what performance information will be collected from the various One-Stop partners (beyond that required by DOL), use of quarterly wage records, and how the Statewide system will have access to the information needed to continuously improve. (§112(b)(8)(B).)

As stated above, EKOS is Kentucky's common data collection system. Data is extracted from this system to prepare and submit all WIA quarterly and annual reports. In addition to EKOS, Kentucky uses Crystal Reports to provide reports requested by local boards and other state staff. The reporting tool is Internet-accessible and requires security clearance to access the data contained within it. Performance staff also prepare reports and data sets for local boards' use and provide extensive performance measure analysis of the results for each quarterly and annual report.

EKOS interfaces with the Unemployment Insurance Wage Records. Wage data is brought into EKOS and stored in the data warehouse to use for reporting the Entered Employment Rate, Employment Retention Rate at six months and Average Earnings as required for WIA and Wagner-Peyser reporting. On a quarterly basis Kentucky sends a file of customer's social security numbers to request wages for those customers that are employed out-of-state. Wage data obtained through WRIS is also loaded into EKOS for use in reporting purposes. Because wage data is stored in EKOS, the information can be utilized to track performance outcomes for all federal programs as well as other state and regional programs specific to Kentucky.

The statewide system will use this information to evaluate the effectiveness of the services to customers and employers, as well as the level of interaction among partners. Through a series of reports designed specifically to utilize this data Kentucky can identify statewide and regional trends to make changes and improve the service delivery system.

5. Describe any actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the statewide workforce investment system. (§§111(d)(2) and 112(b)(1).)

Through several KWIB initiatives, the Board will ensure collaboration with key partners and continuous improvement.

- Branding/Identity – comprehensive rebranding to address the architecture of the entire workforce system.
 - One-Stop Certification – establish a policy framework to serve as the baseline standards of a One-Stop Career Center.
 - National Career Readiness Certificate – increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development.
 - Work Ready Communities – collaboration of elected officials, economic development agencies and educators in an effort to focus on improved competitiveness of the workforce.
 - High Performing Workforce Boards – ensure the effectiveness of local workforce investment boards and enhance the strategic nature of the boards.
 - Partner for Success – this initiative will establish an Achieving Success Together team to identify areas of common and complementary services and examine ways to increase efficiency and effectiveness by simplifying service delivery driven by the employer and individual consumer vantage points.
6. How do the State and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance does not meet expectations? How will the State and Local Boards use the review process to reinforce the strategic direction of the system? (§§111(d)(2), 112(b)(1), and 112(b)(3).)

OET will review and compare the local board's negotiated goals and actual performance on a quarterly basis in order to determine if targeted outcomes exceed or meet projected outcomes. The OET performance and technical assistance/monitoring team will review WIA quarterly reports in an effort to reduce the possibility of failure in any one measure and to monitor progress or decline.

If the actual outcome rate falls below the negotiated range, it will be essential that the rationale for the decline be compelling. The rationale must be related to one or more of the factors stated below:

- Changes in the local economy that may lead to lower levels of performance than what is suggested by the historical data. This may include the following economic factors:
 - Local unemployment rate;

- Local industry employment growth rate; or
- Average area earnings.
- The extent to which the proposed levels reflect or result from a decision to emphasize the provision of service to persons with significant barriers to employment. The following factors related to the employability of WIA clients may be considered:
 - Pre-program earnings
 - Educational attainment
 - TANF recipient
- Changes in the program design that may lead to lower levels of performance than what is suggested by the historical data. The information may include the effect of the following factors which relate to the effects of program design and service mix:
 - Percent receiving job search assistance only
 - UI profiles
 - Percent receiving occupational skills training
 - Percent receiving objective assessment only

Incentive funds are awarded from the Statewide Reserve Funds to Local Workforce Investment Areas (LWIAs) for exemplary performance. OET will distribute funds to LWIAs using the following allocation method:

- The Education and Workforce Development Cabinet and Governor will establish the total amount of funds to be distributed to local boards as incentive funds.
- OET will equally divide the total amount of funds to be distributed by the number of performance factors mandated by the Workforce Investment Act during the period that performance was achieved.
- Each board's performance will be evaluated to determine if they "Exceeded Performance" by achieving a performance level greater than or equal to 100% of their negotiated performance levels for each measure.
- Each board that exceeded performance for a particular measure will be awarded a share of the incentive funds for that measure directly proportional to their number of exiters considered for that performance measure as compared to the total number of exiters considered for that performance measure among all LWIAs that exceeded performance for that measure.
- If no board achieves a performance level greater than or equal to 100% of their negotiated performance level for a particular measure, OET will retain those funds for another allowable activity.

7. Include a proposal level for each performance measure for each program year covered by the Plan. States must identify the performance indicators required under section 136, and, for each indicator, the State must develop an objective and quantifiable performance goal for each program year. States are encouraged to address how the performance goals for local workforce investment areas and training provides will help them attain their statewide performance goals. (§§112(b)(3) and 136.)

Kentucky is requesting to carry forward the negotiated PY 2010 performance rates into PY 2011.

WIA			
Adult Measures		PY 2010	PY 2011
Entered Employment Rate		83.5	83.5
Employment Retention Rate		86	86
Avg. Six Month Earnings		\$11,200	\$11,200
Dislocated Worker			
Entered Employment Rate		84	84
Employment Retention Rate		89	89
Avg. Six Month Earnings		\$13,200	\$13,200
Youth			
Placement in Employment or Education		65	65
Attainment of a Degree or Certificate		54	54
Literacy and Numeracy Gains		48	48
Wagner-Peyser			
		PY 2010	PY 2011
Entered Employment Rate		60	60
Employment Retention Rate		75	75
Avg. Six Month Earnings		\$11,400	\$11,400

D. Administrative Provisions

1. Provide a description of the process for appeals of local area non-designation referred to in §116(a)(5)(m).

A unit of local government (including a combination of such units) or grant recipient that requests, but is not granted designation of an area under paragraph (2) or (3), may appeal to the State Board under an appeal process established in the State Plan.

The board may prescribe forms and applicable time frames, appeals shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes.

A unit of general local government or grant recipient that is dissatisfied with the decision of the KWIB may request a review by the USDOL Secretary pursuant to Section 116, paragraph (a) of the Act.

2. Describe the steps taken by the State to ensure compliance with the non-discrimination requirements outlined in §188.

Kentucky's compliance with the equal opportunity and non -discrimination provisions of Section 188 of WIA, and the attendant regulations in 29 CFR Part 37, is documented in its Methods of Administration (MOA). The MOA is a three-volume set, consisting of an introduction and nine elements that describes the actions the commonwealth takes to ensure that its WIA Title I financially assisted programs, activities and recipients are complying with the non-discrimination and equal opportunity requirements of the Act. The state-level Equal Opportunity Officer (EOO) directs the statewide development, implementation, evaluation and monitoring of equal employment opportunity and affirmative action plans and develops training for state and local EO officers. Each LWIA has designated a local senior-level WIA EOO who is able to prioritize and adequately accomplish the responsibilities of the EOO officer. The most recent state and local EOO training was conducted on March 30, 2011.

XI. Assurances

1. The State assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132. (Sec. 112(b)(11).)

2. The State assures that it will comply with section 184(a)(6), which requires the governor to, every two years, certify to the Secretary, that--

a. the State has implemented the uniform administrative requirements referred to in section 184(a)(3);

b. the State has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4); and

c. the State has taken appropriate action to secure compliance with section 184 (a)(3) pursuant to section 184(a)(5). (Sec. 184(a)(6).)

3. The State assures that the Adult and Youth funds received under the Workforce Investment Act will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this Plan. (Sec. 112(b)(12)(B).)

4. The State assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of title 38 U.S. code. The State assures that it will comply with the veterans priority established in the Jobs for Veterans Act. (38 U.S.C. 4215.)

5. The State assures that the governor shall, once every two years, certify one Local Board for each local area in the State. (Sec.117(c)(2).)

6. The State assures that it will comply with the confidentiality requirements of section 136(f)(3).

7. The State assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (Sec. 181(b)(7).)

8. The State assures that it will comply with the nondiscrimination provisions of section 188, including an assurance that a Methods of Administration has been developed and implemented (Sec. 188.)

9. The State assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (Sec. 185.).

10. The State assures that it will comply with the grant procedures prescribed by the Secretary (pursuant to the authority at section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation and payment of funds under the Act. The procedures and agreements will be provided to the State by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:

General Administrative Requirements:

[cir] 29 CFR 97--Uniform Administrative Requirements for State and Local Governments (as amended by the Act)

[cir] 29 CFR 96 (as amended by OMB Circular A-133) --Single Audit Act

[cir] OMB Circular A-87--Cost Principles (as amended by the Act) Assurances and

Certifications:

[cir] SF 424 B--Assurances for Non-construction Programs

[cir] 29 CFR 37--Nondiscrimination and Equal Opportunity Assurance (and regulation) 29 CFR 37.20

[cir] 29 CFR 93--Certification Regarding Lobbying (and regulation)

[cir] 29 CFR 98--Drug Free Workplace and Debarment and Suspension Certifications (and regulation) Special Clauses/Provisions:

Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

11. The State certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.

12. The State certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR 1001.

13. The State certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees in accordance with DOL regulations.

14. The State assures that it will comply with the MSFW significant office requirements in accordance with 20 CFR 653.

15. The State certifies it has developed this Plan in consultation with local elected officials, Local Workforce Boards, the business community, labor organizations and other partners.

16. As a condition to the award of financial assistance from the Department of Labor under title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:

[cir] Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA title I-financially assisted program or activity;

[cir] Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin;

[cir] Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

[cir] The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and

[cir] Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.

The grant applicant also assures that it will comply with 29 CFR 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA title I-financially assisted program or activity, and to all agreements the grant applicant makes to carry out the WIA title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.

17. The State assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act and their regulations, written Department of Labor guidance implementing these laws, and all other applicable Federal and State laws and regulations.

Attachment A

PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES

Name of WIA Title I Grant Recipient Agency: KY Education and Workforce Development Cabinet

Address: 500 Mero Street, Capital Plaza Tower, 3rd Floor

Frankfort, KY 40601

Telephone Number: (502) 564-0372

Facsimile Number: (502) 564-5959

E-mail Address: JoeU.Meyer@ky.gov

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):

KY Office of Employment and Training

Address: 275 East Main Street, CHR Building, 2nd Floor, 2WB

Frankfort, Kentucky 40621

Telephone Number: (502) 564-5331

Facsimile Number: (502) 564-7452

E-mail Address: Bill.Monterosso@ky.gov

Name of WIA Title I Signatory Official: Joseph U. Meyer, Secretary

Address: KY Education and Workforce Development Cabinet

500 Mero Street, Capital Plaza Tower, 3rd Floor

Frankfort, KY 40601

Telephone Number: (502) 564-0372

Facsimile Number: (502) 564-5959

E-mail Address: JoeU.Meyer@ky.gov

Name of WIA Title I Liaison: Jim Thompson, Director – Div. of Workforce and Employment Services

Address: 275 East Main Street, CHR Building, 2nd Floor, 2WA

Frankfort, KY 40621

Telephone Number: (502) 564-7456

Facsimile Number: (502) 564-7459

E-mail Address: Jim.Thompson@ky.gov

Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:

Kentucky Office of Employment and Training

Address: 275 East Main Street, CHR Building, 2nd Floor, 2WB

Frankfort, KY 40621

Telephone Number: (502) 564-5331

Facsimile Number: (502) 564-7452

E-mail Address: Bill.Monterosso@ky.gov

Name and Title of State Employment Security Administrator (Signatory Official):

Joseph U. Meyer, Secretary

Address: KY Education and Workforce Development Cabinet

500 Mero Street, Capital Plaza Tower, 3rd Floor

Frankfort, KY 40601

Telephone Number: (502) 564-0372

Facsimile Number: (502) 564-5959

E-mail Address: JoeU.Meyer@ky.gov

As the governor, I certify that for the State/Commonwealth of Kentucky, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor Steven L. Beshear

Signature of Governor Joseph W. Meyer Date 4/14/2011
(Designee)

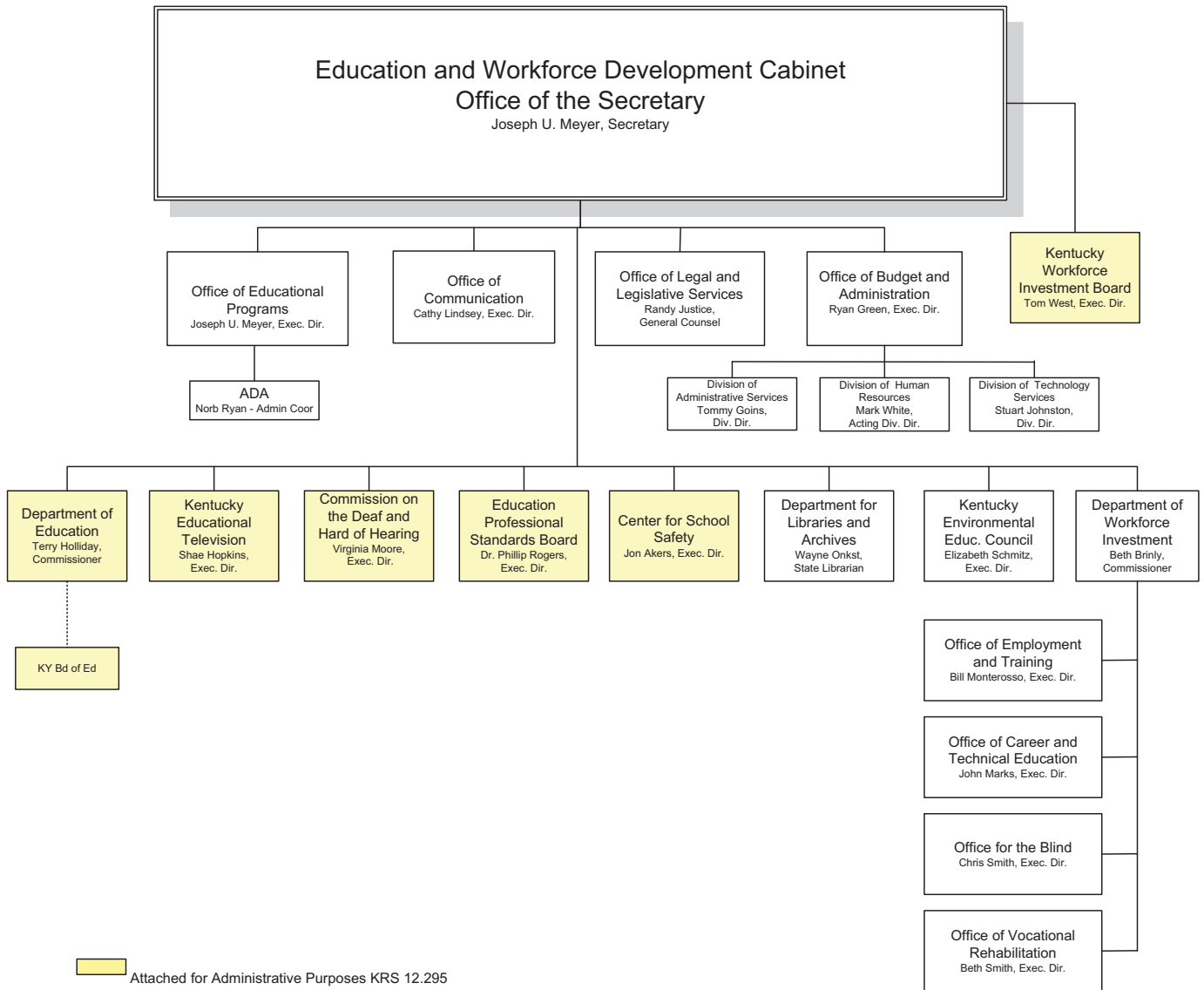
ATTACHMENT B-1 - STATE ORGANIZATIONAL CHART

GOVERNOR OF KENTUCKY Steve Beshear 502-564-2811

DEPT OF VETERANS' AFFAIRS Ken Lucas 502-564-9203	MILITARY AFFAIRS COMMISSION Mark Needham 502-564-2611	AGRICULTURAL DEVELOPMENT BRD Roger Thomas 502-564-4637	THE OFFICE OF HOMELAND SECURITY Thomas L. Preston 502-564-2081	DEPT OF MILITARY AFFAIRS Edward Tonnill 502-567-1494 (KY Army National Guard Chief of Staff)	GOVERNOR'S OFFICE OF MINORITY EMPOWERMENT Dequan Dorsey 502-564-2611	GOVERNOR'S SCHOLAR AID Arlan Jones Cadeffo 502-573-1618	DEPARTMENT FOR LOCAL GOVERNMENT Tony Wilder 502-573-2382	HUMAN RIGHTS COMMISSION John J. Johnson 502-595-4024	COMMISSION ON WOMEN Eleanor Jordan 502-564-2611	COUNCIL ON POSTSECONDARY EDUCATION Robert King 502-573-1555	OFFICE OF STATE BUDGET DIRECTOR Mary Lassiter 502-564-7300
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SECRETARY OF THE CABINET Mary Lassiter 502-564-7300

GENERAL GOVERNMENT CABINET (31)	TRANSPORTATION CABINET (35)	CABINET FOR ECONOMIC DEVELOPMENT (36)	FINANCE & ADMINISTRATION CABINET (39)	TOURISM, ARTS & HERITAGE CABINET (60)	EDUCATION & WORKFORCE DEVELOPMENT CABINET (61)	CABINET FOR HEALTH & FAMILY SERVICES (63)	JUSTICE & PUBLIC SAFETY CABINET (64)	PERSONNEL CABINET (65)	LABOR CABINET (66)	ENERGY & ENVIRONMENT CABINET (67)	PUBLIC PROTECTION CABINET (68)
UNIFIED PROSECUTORIAL SYSTEM (31-030)	OFFICE OF THE SECRETARY Michael Hancock 502-564-0220 Ext 3116	OFFICE OF THE SECRETARY Larry Hayes 659-454-5242	KY HIGHER EDUCATION ASSISTANCE AUTHORITY Edward Cunningham 602-686-7497	KY STATE FAIR BRD Harold Workman 502-387-5100	OFFICE OF THE SECRETARY Joseph Meyer 502-382-7744	DEPT OF INCOME SUPPORT Stephen Jones 502-564-8050 x4003	OFFICE OF THE SECRETARY Janie Miller 502-564-7042	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	ENVIRONMENTAL QUALITY COMMISSION Anita Gadsden 502-564-2674	BRD OF CLAIMS & CRIME VICTIMS COMPENSATION Virginia Woodward 502-573-2290
DEPT OF AGRICULTURE Richie Palmer 502-564-4696	OFFICE FOR CIVIL RIGHTS & SMALL BUSINESS DEVELOPMENT Katie Watson 502-564-4610 Ext 3030	OFFICE OF LEGAL SVCS Hoke Spade 229-5679	OFFICE OF ADMIN SVCS Robin Khrney 502-564-6781	KY HERITAGE COUNCIL 502-564-7005	OFFICE OF COMMUNICATION Cathy Lindsey 502-382-7975	DEPT FOR PUBLIC HEALTH William Hacker 502-564-3970	OFFICE OF LEGAL SVCS Ryan Kohn 502-564-7903	OFFICE OF ADMINISTRATIVE SVCS Walt Gaffield 502-645-3178	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	MINE SAFETY REVIEW COMMISSION Byron Thompson 502-573-0316	KY BRD OF TAX APPEALS B.W. Beam Jr. 502-573-2416
ATTORNEY GENERAL Jack Conway 502-690-3300	OFFICE OF INSPECTOR GENERAL David Ray 502-564-0902	OFFICE OF ADMINISTRATIVE SVCS Gina Papp 502-564-7870	OFFICE OF CONTRACT COMPLIANCE Yvette Smith 502-564-2874	KY ARTS COUNCIL Lori Meadows 502-564-3757	OFFICE OF ADMIN MGMT & BUDGET Ann Hunter 502-395-1605	DEPT FOR MH DEV DISAB & ADDIC SVCS Stephen Hall 502-564-4527	OFFICE OF COMMUNICATION & ADMIN REV V.M. Franklin 502-564-7042	OFFICE OF THE STATE MEDICAL EXAMINER Tracy Catey 502-652-9587	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF WORKPLACE STANDARDS Mike Dixon 502-564-0977	KY HORSE RACING COMMISSION Lisa Underwood 659-246-2040
AUDITOR OF PUBLIC ACCOUNTS Ciri Lushen 502-564-5841	OFFICE OF BUDGET & FISCAL MGMT Tommy Brannan 502-564-4550 Ext 3146	DEPT OF FINANCIAL INCENTIVES Donna Duncan 659-948-1304	OFFICE OF GENERAL COUNSEL Jeff Maffey 502-564-6660	KY HISTORICAL SOCIETY Kent Whitworth 502-564-1792 x4448	OFFICE OF SPECIAL PROGRAMS Joe Meyer 502-564-1817	DEPT FOR FAM RES CTRS & VOL SVCS Michael Denney 502-564-4956	OFFICE OF HUMAN RESOURCE MGMT JP Hamon 502-564-7770	OFFICE OF EMPLOYEE RELATIONS Mary Hook 502-629-8954	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OSH STANDARDS Mike Dixon 502-564-0977	OFFICE OF COMMUNIC & PUBLIC OUTREACH Don Dett 502-564-5525
REGISTRY OF ELECTION FINANCE Sarah Jackson 502-573-2226	OFFICE OF PUBLIC AFFAIRS Chuck Wolfe 502-564-3419 Ext 3026	DEPT OF COMMERCIALIZATION & INNOVATION Deborah Clayton 320-4446	OFFICE OF LOSS/INTEG CIVIL AFFAIRS Bill Riggs 502-564-2240	KY CENTER FOR THE ARTS Stephen Klein 502-562-0100	OFFICE OF LEGAL & LEGISLATIVE SVCS Randall Justice 502-564-1817	DEPT FOR COMMUNITY BASED SVCS Pat Wilson 502-564-3703	OFFICE OF POLICY & BUDGET Beth Jurek 502-564-7042	GOVERNMENTAL SVCS CTR Wes Swanner 502-564-7455 ext 240	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF LEGAL SVCS Hokday Hopkins 502-564-7760
KY INFRASTRUCTURE AUTHORITY John Covington 502-573-0260	OFFICE OF LEGAL SVCS Rebecca Goodman 502-564-7550 Ext 3030	DEPT FOR BUSINESS DEVELOPMENT Jon Howell 659-317-1118	OFFICE OF ENTERPRISE TECHNOLOGY Brian Nier 502-564-1035	GOVERNOR'S SCHOOL FOR THE ARTS Heather Weston Brd 502-562-0148	EDUCATION PROFESSIONAL STANDARDS BRD Phil Rogers 270-751-6477	DEPT FOR MEDICAID SVCS Betty Johnson 502-564-4321	OFFICE OF THE OMBUDSMAN Chap Ward 502-564-5497	CTR OF STRATEGIC INNOVATION Crystal Pryor 502-617-6046	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF INSURANCE Sharon Clark 502-664-6026
DEPT GOVERNOR L&L Daniel Mongardo 502-564-2611	OFFICE OF SUPPORT SVCS Jack Morris 502-564-3118	DEPT OF AVIATION Winn Tatum 502-564-4480	OFFICE OF INFRASTRUCTURE SVCS Steve Rucker 502-564-1641	KY FISH & WILDLIFE RESOURCES John Gassman 502-564-3400	COMMISSION ON DEAF & HARD OF HEARING Jane Eiler 502-573-2604	OFFICE OF INSPECTOR GENERAL Virginia Moore 502-564-2888	OFFICE OF SPECIAL INSTRUCTIONAL SVCS Larry Taylor 502-564-4070	OFFICE OF ADMIN & TECH SVCS Frank Lassiter 502-564-0105	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF OCCUPATIONS & PROFESSIONS Frances Short 502-564-3295
KY AGENCY FOR SUBSTANCE ABUSE Amy Andrews 502-564-9564	OFFICE OF HUMAN RESOURCE MGMT Katie Watson 502-564-4610 Ext 3030	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF APPLICATION DEVELOPMENT Vibhas Chandraachod 502-564-6560	KY HORSE PARK John Nicholson 659-259-4208	KY ENVIRONMENTAL EDUCATION COUNCIL Jane Eiler 659-395-1605	DEPT FOR MEDICAID SVCS Betty Johnson 502-564-4321	OFFICE OF LEADERSHIP & SCHOOL IMPROVEMENT Sally Gage 502-564-4070	DEPT OF HUMAN RESOURCES ADMINISTRATION Sissy Meredith 502-229-4312	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF CHARITABLE GAMING Henry Lackey 502-573-5526
OFFICE OF FAITH BASED & COMM NONPROFIT SOCIAL SVCS Colleen Bridge 502-564-2611	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF CHIEF INFO SECURITY OFFICER VACANT	KY DEPT OF PARKS Gerry van der Meer 502-564-2172 Ext 153	DEPT FOR WORKFORCE INVESTMENT Beth Bentley 502-226-0615	OFFICE OF HEALTH POLICY Camie Banahan 502-564-9592	OFFICE OF ASSESSMENT & ACCOUNTABILITY Ken Drost 502-564-2256	DEPT OF CRIMINAL JUSTICE TRAINING John Black 659-622-6185	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF ALCOHOLIC BEVERAGE CONTROL Tony Delner 502-564-3296
SECRETARY OF THE CABINET Mary Lassiter 502-564-7300	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF GOVERNMENTAL SVCS CTR VACANT	OFFICE OF THE SECRETARY Marcheta Sparrow 502-564-4270	OFFICE OF FINANCE Tim Polard 502-564-4270 x124	DEPT FOR AGING & INDEPENDENT LIVING Deborah Anderson 502-564-6530	OFFICE OF TEACHING & LEARNING Feldia Cummings 502-564-9850	DEPT OF CORRECTIONS LaDonna Thompson 502-564-4726	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF FINANCIAL INSTITUTIONS Charles Vice 502-573-3390
DEPT FOR LOCAL GOVERNMENT Tony Wilder 502-573-2382	OFFICE OF AUDITS Alice Wilson 502-564-6760 Ext 3615	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF STATEWIDE ACCTG SVCS William Westor 502-564-9641	OFFICE OF THE SECRETARY Marcheta Sparrow 502-564-4270	OFFICE OF LEGAL AFFAIRS Bill Dettler 502-564-4270 x352	OFFICE OF HEALTH POLICY Camie Banahan 502-564-9592	OFFICE OF DISTRICT SUPPORT SVCS Kay Kennedy (Retired) 502-564-6278	OFFICE OF ADULT INSTITUTIONS Alanna 502-564-2220 ext 284	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF HOUSING, BUILDINGS & CONSTRUCTION Richard Moloney 502-573-0365
SECRETARY OF THE STATE Trey Grayson 502-564-3490	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF STATEWIDE ACCTG SVCS William Westor 502-564-9641	OFFICE OF THE SECRETARY Marcheta Sparrow 502-564-4270	OFFICE OF LEGAL AFFAIRS Bill Dettler 502-564-4270 x352	OFFICE OF HEALTH POLICY Camie Banahan 502-564-9592	OFFICE OF DISTRICT SUPPORT SVCS Kay Kennedy (Retired) 502-564-6278	OFFICE OF ADULT INSTITUTIONS Alanna 502-564-2220 ext 284	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF HOUSING, BUILDINGS & CONSTRUCTION Richard Moloney 502-573-0365
STATE TREASURER Todd Hollenbach 502-564-4722	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF STATEWIDE ACCTG SVCS William Westor 502-564-9641	OFFICE OF THE SECRETARY Marcheta Sparrow 502-564-4270	OFFICE OF LEGAL AFFAIRS Bill Dettler 502-564-4270 x352	OFFICE OF HEALTH POLICY Camie Banahan 502-564-9592	OFFICE OF DISTRICT SUPPORT SVCS Kay Kennedy (Retired) 502-564-6278	OFFICE OF ADULT INSTITUTIONS Alanna 502-564-2220 ext 284	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF HOUSING, BUILDINGS & CONSTRUCTION Richard Moloney 502-573-0365
BOARDS & COMMISSIONS Gladie Dunn 502-564-2611	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF INFO TECHNOLOGY Jon Clark 502-564-8900 Ext 3517	OFFICE OF STATEWIDE ACCTG SVCS William Westor 502-564-9641	OFFICE OF THE SECRETARY Marcheta Sparrow 502-564-4270	OFFICE OF LEGAL AFFAIRS Bill Dettler 502-564-4270 x352	OFFICE OF HEALTH POLICY Camie Banahan 502-564-9592	OFFICE OF DISTRICT SUPPORT SVCS Kay Kennedy (Retired) 502-564-6278	OFFICE OF ADULT INSTITUTIONS Alanna 502-564-2220 ext 284	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	OFFICE OF THE SECRETARY J.R. Gray (502) 564-0884	DEPT OF HOUSING, BUILDINGS & CONSTRUCTION Richard Moloney 502-573-0365
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Attached for Administrative Purposes KRS 12.295

EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Department of Workforce Investment

Office of Employment and Training

**Grievance, Complaint and Appeal Procedures for
Kentucky's
Workforce Investment Act Program**

Introduction

The Workforce Investment Act of 1998, 29 U.S.C. Sections 2831(a)(5), 2842(g), 2871(h)(2)(B), 2931(c), 2931(f)(2)(B), (2934)(b)(2), and 2938 requires the Commonwealth to establish grievance and appeals procedures for participants and interested parties affected by the Workforce Investment Act of 1998.

The procedures for filing grievances related to the following situations are included herein:

- **Appeals of denial of request for designation as local area.**
A unit or combination of units of local government or a rural concentrated employment program grant recipient that requests but is not granted designation of an area as a local area by the Governor may submit an appeal to the State Board pursuant to the process established in the State Plan.
- **Appeals of denial or termination of eligibility as a training provider.**
State and local area procedures shall establish and maintain grievance and appeal procedures for training providers whose eligibility has been terminated or denied by the Local Board, the state agency or one-stop operator
- **Appeals by local area of reorganization due to failure to meet performance measures.**
A local area subject to a reorganization plan due to the failure to meet local performance measures may appeal to the Governor within thirty days of receipt of the notification. The Governor's decision is subject to appeal to the United States Department of Labor Secretary.
- **Appeals by local area of intent to revoke approval of all or part of the local plan or to impose a reorganization plan due to a substantial violation.**
A local area that has been found in substantial violation of WIA title I, and has received notice from the Governor that either all or part of the local plan will be revoked or that a reorganization will occur, may appeal to the U.S. Department of Labor Secretary within thirty days of receipt of the Governor's notification.
- **Appeals related to testing and sanctioning of participants for substance abuse.**
A participant who is subject to testing for controlled substances or who has been sanctioned by the state agency after testing positive for the use of controlled substances may file a written appeal.
- **Grievances and appeals based on complaints of discrimination.**
A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint.
- **Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors, and Local Workforce Investment System (Boards).**
This section outlines the grievance, complaint and appeals process for the designated participants and other interested parties.
- **Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs.**
This section outlines the grievance, complaint and appeals process for the designated participants and other interested parties. Grievous circumstances may include, but are not limited to, audit disallowances, imposition of sanctions with respect to audit findings, investigations, monitoring reports etc.

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Section 1. Definitions.

- (1) “Administrative process” means meeting, review, investigation, hearing, appeal, deliberation, decision, or exchange of documents or information between the agency, an applicant, participant, local area, Local Board, State Board, or an eligible provider.
- (2) “Agency” or “State Agency” means the Office of Employment and Training within the Education and Workforce Development Cabinet.
- (3) “Applicant” means an individual who submits an application for services under WIA title I.
- (4) “Cabinet” means the Education and Workforce Development Cabinet.
- (5) “Date received” means an appeal, grievance, or complaint shall be considered received as of the date it is filed with the appropriate office or entity with jurisdiction to hear the matter or deposited in the mail or with a commercial postal service on or before the due date, as indicated by the postmark applied by the U.S. Postal Service or official mark applied by a commercial postal service to the appropriate office or entity. The mark made by a privately-held postage meter shall not be considered in determining the date of receipt. When a due date falls on a day the appropriate office or entity is closed, the next day the appropriate office or entity is opened shall be considered the due date.
- (6) “Exclusion” means the termination of eligibility of a provider to perform services under WIA Title I.
- (7) “Fiscal agent” means the entity selected by the Local Board to administer sub-grants awarded by the agency.
- (8) “Hearing officer” means an individual who:
 - (a) Has not been involved in previous decisions regarding the subject matter of the appeal, complaint or grievance;

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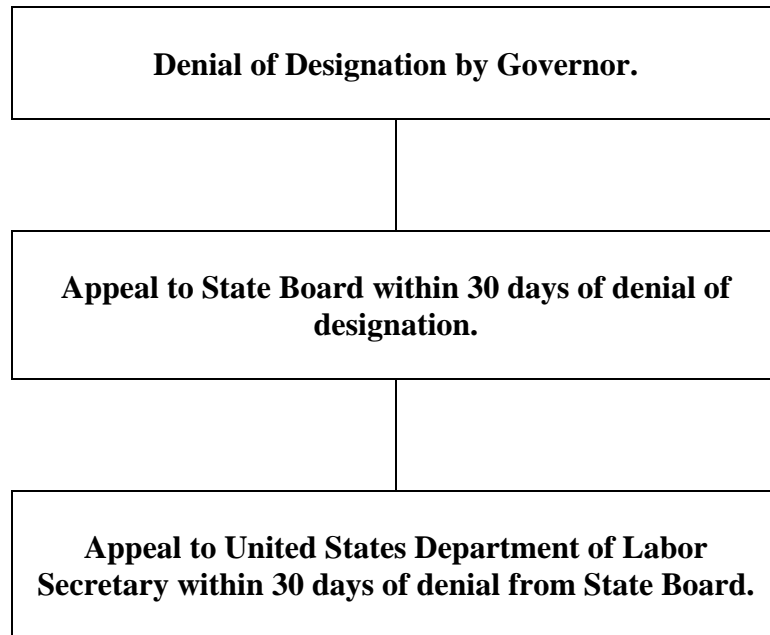
- (b) Has knowledge of the federal and state laws and administrative regulations governing the Workforce Investment Act of 1998, as amended;
 - (c) Has training with respect to performance of official duties; and
 - (d) Has no personal or financial interest that would be in conflict with the objectivity of the individual.
- (9) “Local area” means a local workforce investment area as established by an Executive Order.
- (10) “Local Board” means a local workforce investment board established under WIA sec. 117, to set policy for the local workforce investment system.
- (11) “One-Stop Operator” means an entity designated or certified under WIA section 121(d).
- (12) “Participant” means an individual who has registered and has been determined to be eligible to participate in and who is receiving services (except for follow-up services) under a program authorized by WIA title I. Participation commences on the first day, following determination of eligibility, on which the individual begins receiving core, intensive, training or other services provided under WIA title I.
- (13) “State Board” means the Kentucky Workforce Investment Board, established by Executive Order 2009-438 (May 12, 2009).
- (14) “State Plan” means the current Strategic Five Year State Workforce Investment Plan, as approved by the U.S. Department of Labor Secretary.
- (15) “Training provider” means as defined by WIA section 101(12).
- (16) “WIA” means the federal Workforce Investment Act of 1998, 29 U.S.C. Section 2801, et seq. (Pub. L. 105-220, Aug. 7, 1998), as amended, and its implementing regulations (20 CFR Part 652, et al.).

Section 2. Appeals of denial of request for designation as local area.

- (1) A unit or combination of units of local government or a rural concentrated employment program grant recipient that requests but is not granted designation of an area as a local area by the Governor may submit an appeal to the State Board. 29 U.S.C.A. § 2831(a)(5).
- (2) The appeal shall be filed no later than thirty days after receipt of the denial of designation of an area as a local area by the Governor.
- (3) The appeal shall be conducted pursuant to the administrative hearing requirements in KRS Chapter 13B.
- (4) A unit or combination of units of local government or a rural concentrated employment program grant recipient that is dissatisfied with the decision of the State Board may request a review by the United States Department of Labor Secretary.
- (5) The appeal shall be filed no later than thirty days after receipt of written notification of the denial from the State Board. The appeal shall be submitted by certified mail, return receipt requested, to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. A copy of the appeal shall be simultaneously provided to the State Board in care of the Executive Director, Office of Employment and Training, 275 East Main, Frankfort, Kentucky 40621.
- (6) On appeal, the United States Department of Labor Secretary shall consider whether:
 - (i) the unit or grant recipient was not accorded procedural rights under the appeal process set forth in the State Plan, or
 - (ii) the unit or grant recipient meets the requirements for designation as a local area under 29 U.S.C.A. § 2831(a)(2) or (a)(3), as appropriate.
- (7) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor Secretary.

PROCESS FLOW

Appeals of denial of request for designation as local area (Section 2)



Section 3. Appeals of denial or termination of eligibility as a training provider.

(1) Local area procedures shall establish and maintain grievance and appeal procedures for training providers whose eligibility has been terminated or denied or other action by the Local Board or one-stop operator. Systems for resolving grievances and appeals shall conform to applicable state and federal requirements and shall provide:

(a) An opportunity for an informal resolution and hearing to be completed within sixty days of the filing of the grievance or complaint; and

(b) An opportunity for appeal to the state board if:

(i) No decision is reached within sixty days; or

(ii) Either party is dissatisfied with the local hearing decision.

(2) The local area shall describe the grievance and appeal procedures in the local area plan.

(3) (a) A training provider may submit an appeal to the State Board if:

(i) The local area has denied, terminated, or taken other action regarding the training provider's eligibility and the training provider has exhausted the administrative remedies described in the local area plan or a timely decision has not been issued; or

(ii) The state agency has denied, terminated, or taken other action regarding the eligibility of the training provider for a substantial violation of any requirement under WIA, for failure to meet established performance levels or for intentionally supplying inaccurate information required to be furnished under WIA.

(b) An appeal under this paragraph shall be filed with the State Board no later than thirty days after receipt of the final notice of denial, termination, or other action regarding eligibility from the Local Board or the state agency. The statement of appeal shall be addressed to the Kentucky Workforce Investment Board, 500 Mero Street, Capital Plaza Tower, 3rd Floor, Frankfort KY 40621.

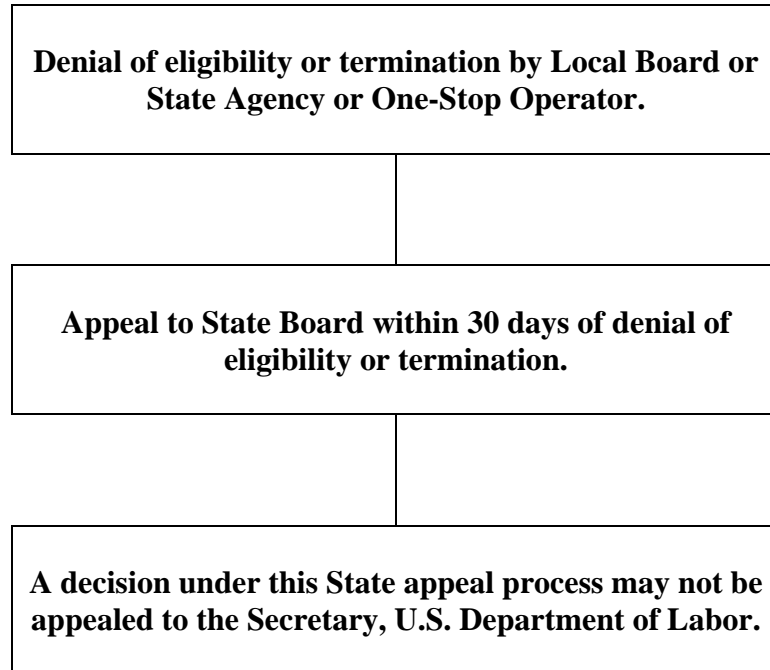
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(c) An opportunity for an informal resolution and a hearing shall be conducted under this section within sixty days of the State Board's receipt of the request for appeal.

(d) The appeal shall be conducted pursuant to the administrative hearings requirements in KRS Chapter 13B.

PROCESS FLOW

Appeals of denial or termination of eligibility as a training provider (Section 3)

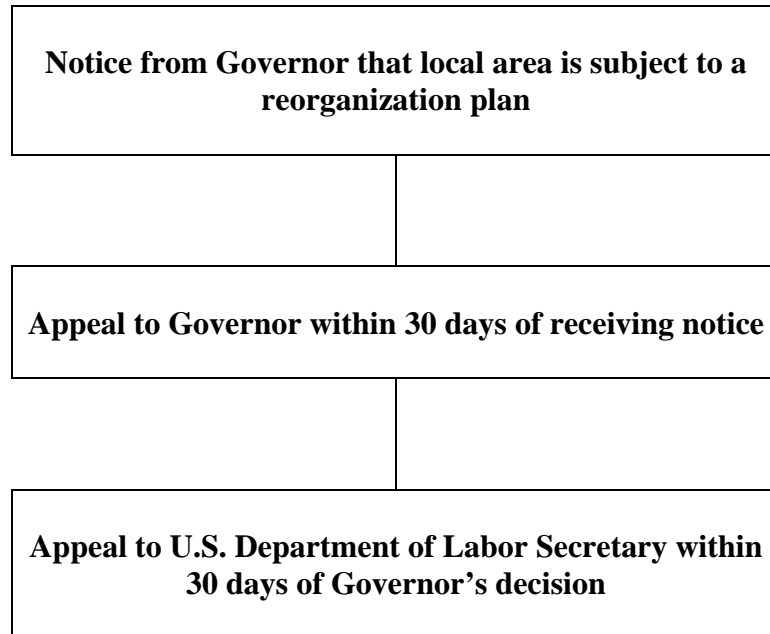


Section 4. Appeals by local area of reorganization due to failure to meet performance measures.

- (1) A local area subject to a reorganization plan due to the failure to meet local performance measures pursuant to 29 U.S.C.A. § 2871(h)(2), may appeal to the Governor to rescind or revise the reorganization plan. The appeal shall be filed within thirty days of receipt of the notification. A final decision shall be issued no later than thirty days after the receipt of the appeal.
- (2) A local area may, no later than thirty days after receiving notification from the Governor, file an appeal with the United States Department of Labor Secretary, Washington, D.C. 20210, Attention: ASET. A copy of the appeal shall be simultaneously provided to the Governor.
- (3) The United States Department of Labor Secretary shall make a final decision no later than thirty days after the receipt of the appeal.
- (4) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor Secretary.

PROCESS FLOW

Appeals by local area of reorganization due to failure to meet performance standards (Section 4)



Section 5. Appeals by local area of intent to revoke approval of all or part of the local plan or to impose a reorganization plan due to a substantial violation.

(1) A local area that has been found in substantial violation of WIA title I, and corrective action has not been taken shall receive from the Governor notice that either all or part of the local plan will be revoked or that a reorganization shall be imposed in accordance with 29 U.S.C.A. § 2934(b)(1). The actions taken by the Governor may be appealed to the United States Department of Labor Secretary within thirty days of receipt of the Governor's notification. The Governor's actions shall not become effective until:

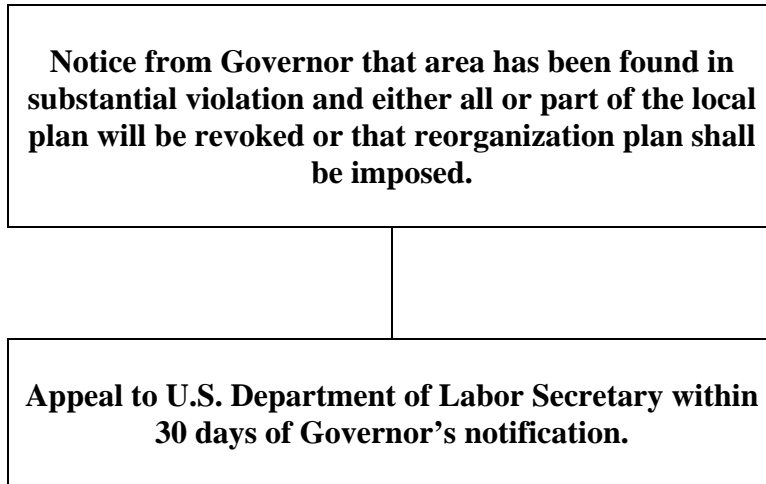
- (a) The time for appeal has expired; or
- (b) The United States Department of Labor Secretary has issued a decision.

(2) An appeal shall be submitted by certified mail, return receipt requested, to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. A copy of the appeal must be simultaneously provided to the Governor.

(3) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor.

PROCESS FLOW

**Appeals by local area of intent to revoke approval of all or part of local plan or to impose a reorganization plan due to a substantial violation
(Section 5)**



Section 6. Appeals related to testing and sanctioning of participants for substance abuse.

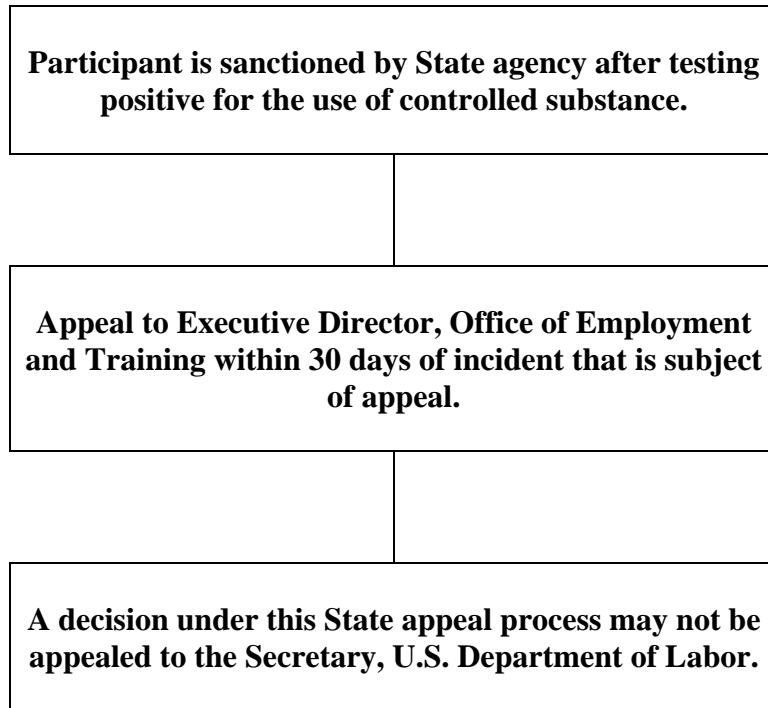
(1) A participant who is subject to testing for controlled substances and the imposition of sanctions by the state agency after testing positive for the use of controlled substances may file a written appeal no later than thirty days after the date of the incident that is the subject of the appeal. 29 U.S.C.A. § 2931(f)(2)(B).

(2) The participant who wishes to file an appeal under this section shall submit a written statement to the Executive Director, Office of Employment and Training, 275 East Main Street, Frankfort, Kentucky 40621. The statement shall be signed and dated by the person submitting the appeal, and shall contain:

- (a) The full name, address and telephone number (if any) of the person submitting the appeal;
 - (b) The full name and address of the person or entity against whom the complaint is made;
 - (c) A clear and concise statement of the facts, including pertinent dates, constituting the alleged violation; and
 - (d) The provisions of the law, regulations or other agreement believed to have been violated.
- (3) Appeals under this section shall be conducted pursuant to the administrative hearings requirements in KRS Chapter 13B.

PROCESS FLOW

Appeals related to testing and sanctioning of participants for substance abuse (Section 6)



Section 7. Grievances and appeals based on complaints of discrimination.

(1) This section applies to applicants for WIA participation or employment, participants or employees of any WIA, Title I-funded entity, and applicants for WIA funding.

(2) Definitions. The following definitions apply to grievances and appeals filed under this section:

(a) “Beneficiary” means an individual intended by the United States Congress to receive aid, benefits, services, or training from a recipient.

(b) “Director” means the director of the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

(c) “Recipient” means an entity that receives financial assistance under WIA Title I, either directly from the United States Department of Labor or through the Commonwealth of Kentucky or another recipient. “Recipient” includes, but is not limited to:

(i) State agencies that administer, or are financed in whole or in part with, WIA Title I funds;

(ii) The Office of Employment and Training;

(iii) The Kentucky Workforce Investment Board;

(iv) Local Workforce Investment Boards;

(v) Local workforce investment area grant recipients;

(vi) One-stop operators;

(vii) Service providers, including eligible training providers;

(viii) On-the-job training employers;

(ix) Job Corps contractors and center operators, excluding the operators of federally-operated Job Corps centers;

(x) Outreach and admissions agencies, including Job Corps contractors that perform these functions;

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(xi) One-stop partners, as defined in WIA section 121(b), to the extent that the one-stop partner participates in the one-stop delivery system.

(3) (a) A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint with the recipient or with the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. The Director of the Civil Rights Center may extend the filing date for good cause shown.

(b) A beneficiary who believes that he or she has been denied participation in programs or activities financially assisted in whole or in part under WIA Title I on the basis of citizenship may file a written complaint with the recipient or with the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. Only the Director of the Civil Rights Center may extend the filing date for good cause shown.

(4) A complaint shall contain the following information:

(a) The full name, address and telephone number (or message number) of the person making the complaint (the complainant);

(b) The full name and address of the entity or individual against whom the complaint is made (respondent);

(c) A description of the complainant's allegations in sufficient detail to allow determinations to be made regarding jurisdiction, timeliness, and apparent merit (whether the allegations, if true, would violate any nondiscrimination and equal opportunity provisions under WIA).

(d) The complaint shall be signed and dated by the complainant or the complainant's authorized representative.

ATTACHMENT D - KY Grievance and Appeals Procedures

(5) The recipient shall forward a copy of a complaint filed with the recipient to the EO officer of the state agency. If the complaint is filed with the Civil Rights Center (CRC), the complainant may complete and submit the CRC's Complaint Information and Privacy Act Consent Form, which may be obtained from the recipient's EO Officer, or from the Civil Rights Center at the United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

(6) The local workforce investment board shall designate an EO officer who is responsible for receiving, investigating, and offering resolutions of complaints, and for assuring all WIA Title I applicants are advised of their rights. Service providers shall follow the procedures established within the local workforce investment area. The local workforce investment board grievance procedures shall contain the following minimum requirements:

(a) Upon receipt of a complaint, the recipient shall provide written acknowledgment to the complainant that the recipient has received the complaint, and shall notify the complainant of the right to be represented in the complaint process;

(b) The recipient shall thereafter provide a written statement of the issue(s) to the complainant that includes the following:

(i) A list of the issues raised in the complaint, and

(ii) For each such issue, a statement whether the recipient accepts the issue for investigation or rejects the issue, and the reasons for each rejection;

(c) A period for fact-finding or investigation of the circumstances underlying all complaints.

(d) A period during which the recipient attempts to resolve the complaint. The methods available to resolve the complaint shall include an alternative dispute resolution (ADR) method. The complainant shall be given the choice whether to use ADR or the customary process. If the recipient breaches an agreement reached under ADR, the complainant may file a discrimination complaint with the CRC Director within thirty days of the date on which the complainant learns

ATTACHMENT D - KY Grievance and Appeals Procedures

of the alleged breach. If the parties cannot reach agreement under ADR, the complainant may file a discrimination complaint with the CRC Director.

(e) A written Notice of Final Action shall be provided to the complainant within ninety days of the date on which the complaint was filed. The Notice of Final Action shall include, for each issue raised in the complaint, a statement of either (i) the recipient's decision on the issue and an explanation of the reasons underlying the decision, or (ii) a description of the way the parties resolved the issue. The Notice of Final Action shall include notice that the complainant has a right to file a complaint with CRC within thirty days of the date on which the Notice of Final Action is issued if he or she is dissatisfied with the recipient's final action on the complaint.

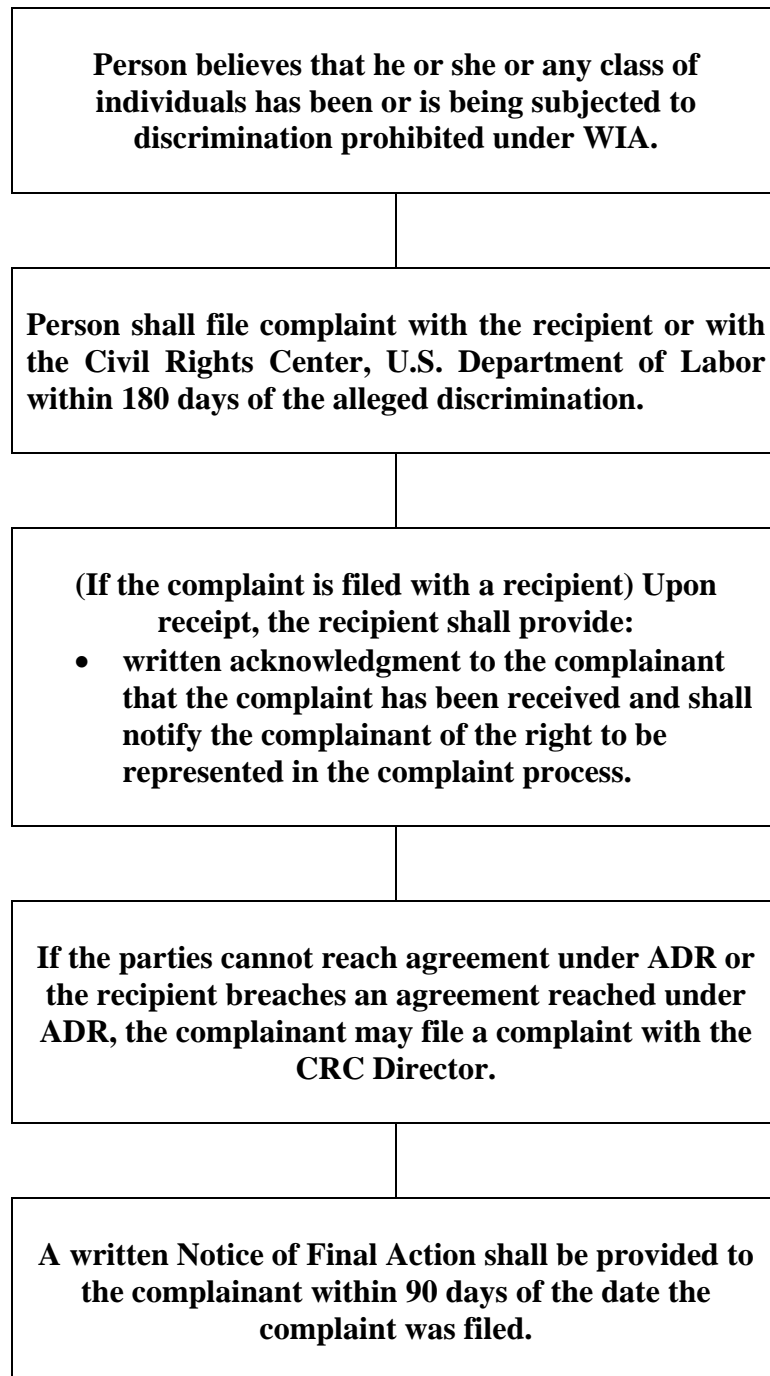
(f) The EO officer shall notify the complainant in writing immediately if it is determined that the local workforce area does not have jurisdiction over a complaint. The notification shall include the basis for the determination as well as a statement of the complainant's right to file a written complaint with the Civil Rights Center within thirty days of the date on which the complainant receives the notice.

(g) The complainant shall be notified of the right to file a complaint with the Civil Rights Center if the local workforce investment board representative has not completed processing the complaint or if no resolution has been offered within ninety days following receipt of the complaint. The complainant may file a complaint with the Civil Rights Center within thirty days of the expiration of the ninety-day period.

(7) The recipient shall maintain records of complaints for at least three years from the date of resolution of the complaint.

PROCESS FLOW

Grievances and appeals based on complaints of discrimination (Section 7)



Section 8. Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors, and Local Workforce Investment System (Boards).

This section does not apply to complaints of discrimination under WIA Section 188 or 29 CFR Part 37, fraud or criminal activity.

(1) State sub-grantee, subcontractor and local area procedures.

(a) A state sub-grantee, subcontractor and local area shall establish and maintain a system for resolving grievances and appeals by participants and other interested parties affected by the local workforce investment system, including one-stop partners and service providers. At a minimum, the sub-grantee's, state subcontractor's and local area's procedure shall provide:

1. An opportunity for an informal resolution and hearing to be completed within sixty (60) days of the filing of the grievance or complaint;

2. A process to allow an individual alleging a labor standards violation to submit the grievance to binding arbitration procedure, if a collective bargaining agreement covering the parties to the grievance provides for binding arbitration.

and

3. An opportunity for appeal to the state agency if:

a. No decision is reached within sixty days; or

b. Either party is dissatisfied with the state sub-grantee, subcontractor or local area hearing decision.

(b) The state sub-grantee, subcontractor and local area shall provide information about its grievance procedure to participants and other interested parties.

(2) State procedures.

(a) Appeals from decisions of the state-subgrantee, subcontractor or local area.

ATTACHMENT D - KY Grievance and Appeals Procedures

1. The participant or other interested party may appeal the state-subgrantee, subcontractor or local area's hearing decision by submitting a written request for appeal to the Office of Employment and Training, Attention: Executive Director, 275 East Main Street, 2WA, Frankfort, Kentucky 40621 within ten workdays of receipt of the hearing decision or within fifteen workdays of the date the complainant should have received the hearing decision.

2. The state agency shall conduct an investigation and issue a decision within seven days of receipt of the written request for appeal.

(b) 1. The complainant may appeal the state agency's decision by submitting a written request for appeal to the Office of the Secretary, Education and Workforce Development Cabinet, 3rd Floor Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky 40601 within ten days of the date of receipt of the state agency's decision or within ten days of the date the state agency should have issued a decision. The request for appeal shall:

a. Indicate the name, address, and telephone number of the complainant; and

b. Include the reason for appeal.

2. The hearing shall be conducted pursuant to KRS 13B.080 and KRS 13B.090.

3. A hearing officer shall be selected on a random basis from a pool of trained hearing officers in the Administrative Hearings Division of the Office of the Attorney General or an impartial hearing officer appointed by the Cabinet.

4. The hearing officer's recommended order shall be mailed, postage prepaid, to all parties and their attorneys of record within ten (10) days of the hearing.

5. Exceptions. The parties shall be granted the right to file exceptions within five (5) days of receipt of the recommended order.

6. The Secretary of the Education and Workforce Development Cabinet shall consider the record and recommended order, any exceptions filed, and issue an order upon the matter. The Secretary may remand the matter to the hearing officer, adopt the recommended order of the

ATTACHMENT D - KY Grievance and Appeals Procedures

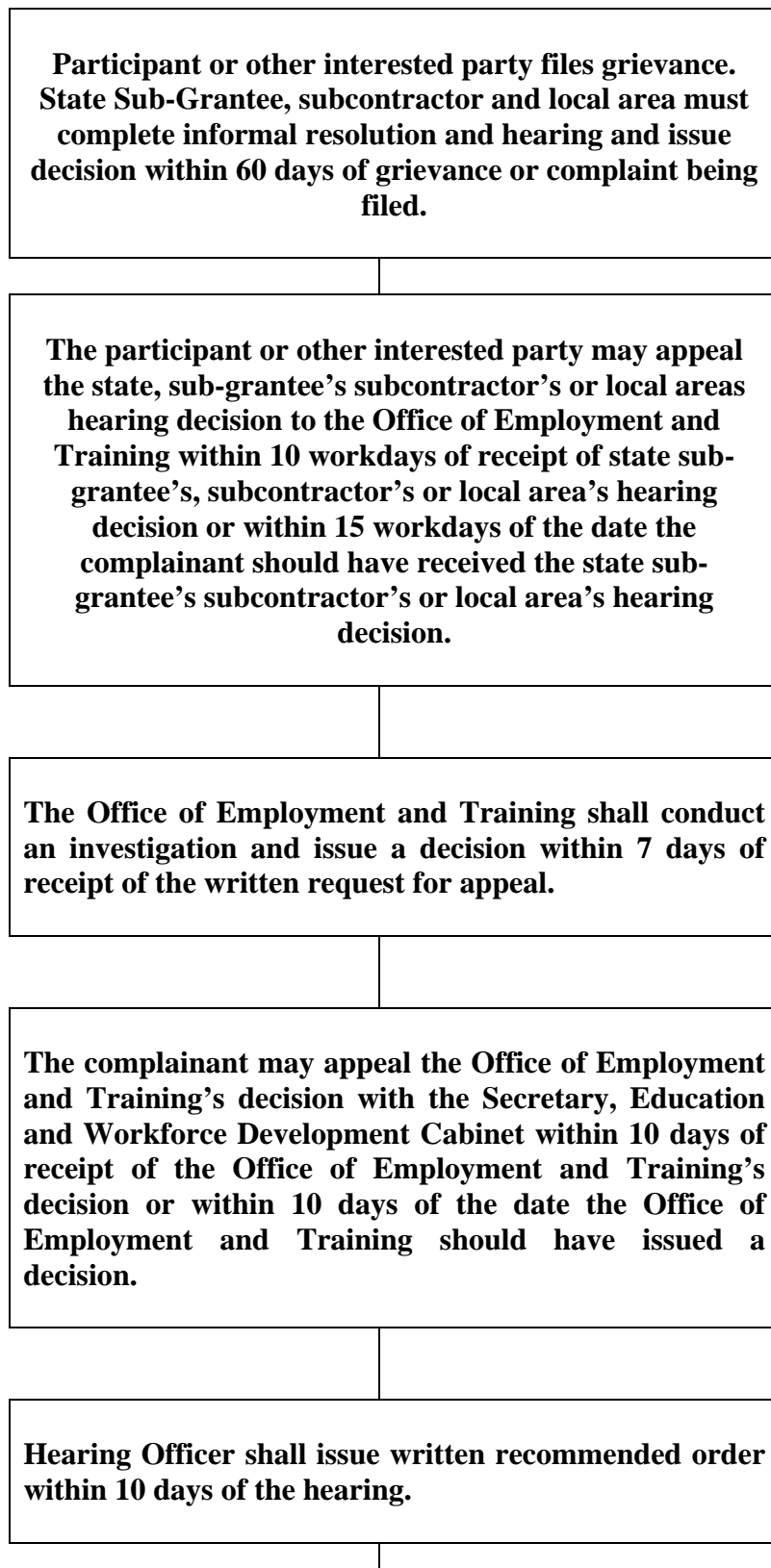
hearing officer as the final order, or issue his own final order within seven (7) days from issuance of the recommended order by the hearing officer.

7. Either party may appeal the final order of the Secretary of the Education and Workforce Development Cabinet to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 60 days of the receipt of the final order and must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.

8. If no decision has been reached within sixty days of receipt of the request for approval of a local level grievance, either party may appeal to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 120 days of the filing of the grievance with the State or the filing of the appeal of a local grievance with the State. The appeal must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.

PROCESS FLOW

Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors and Local Workforce Investment System Boards (Section 8).



The Secretary, Education and Workforce Development Cabinet shall issue a final order within 7 days from issuance of recommended order.

Either party may appeal the Secretary, Education and Workforce Development Cabinet's final order to Secretary, U.S. Department of Labor within 60 days of receipt of final order.

Section 9. Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs.

This section does not apply to complaints of discrimination under WIA Section 188 or 29 CFR Part 37, fraud or criminal activity.

(1) A participant or other interested party affected by the statewide workforce investment system may file a complaint with the state agency within one year of the alleged occurrence.

The complainant shall submit the complaint to the Secretary, Education and Workforce Development Cabinet, 3rd Floor Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky 40601. The complaint shall contain:

(a) The full name, address and telephone number of the person or agency filing the complaint; and

(b) A clear and concise statement of the facts, including pertinent dates, constituting the grievous action.

(2) The complainant shall have the opportunity for an informal resolution and a hearing to be completed within 60 days of the filing of the grievance or complaint. An individual alleging a labor standards violation is allowed to submit the grievance to a binding arbitration process if a collective bargaining agreement covering the parties to the grievance provides for binding arbitration.

(3) The hearing shall be conducted pursuant to KRS 13B.080 and KRS 13B.090.

(4) A hearing officer shall be selected on a random basis from a pool of trained hearing officers in the Administrative Hearings Division of the Office of the Attorney General or an impartial hearing officer appointed by the Cabinet.

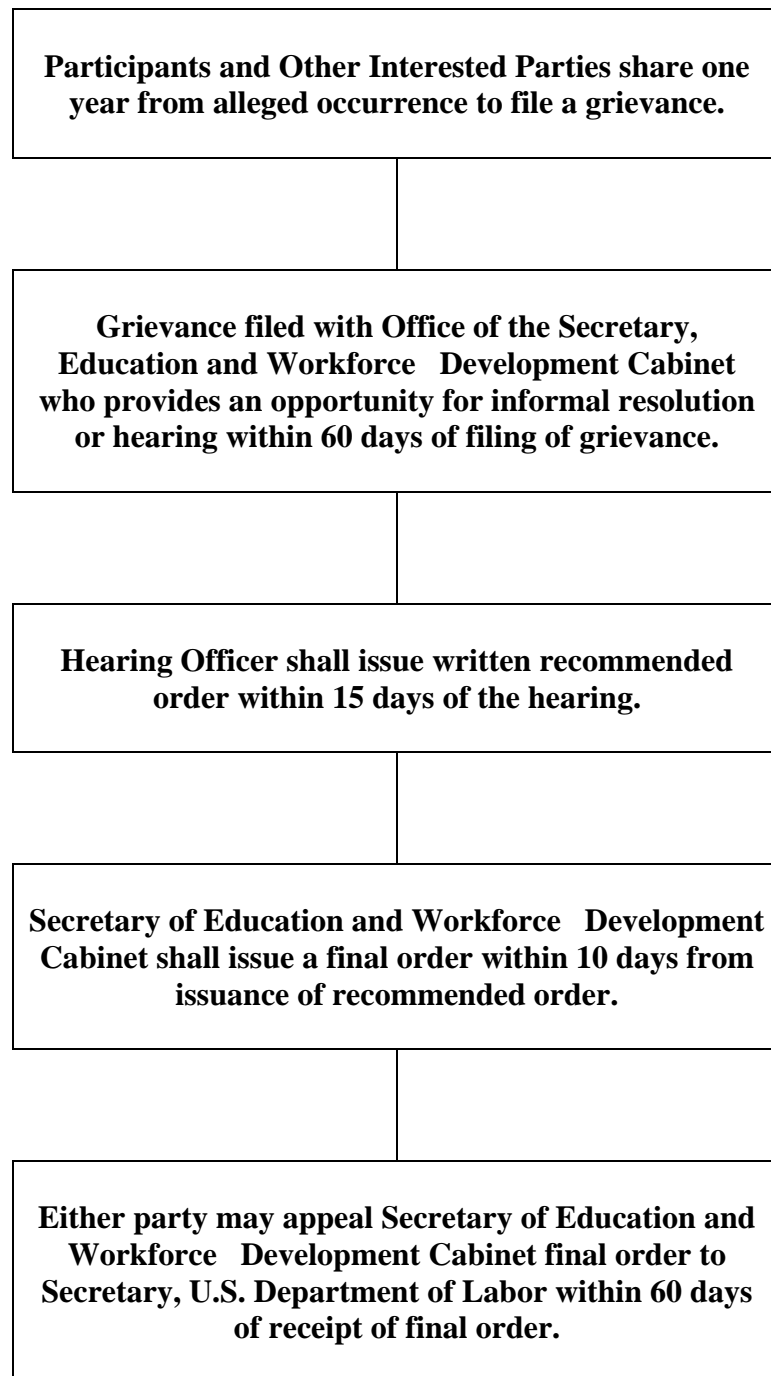
(5) The hearing officer's report and recommended order shall be mailed, postage prepaid, to all parties and their attorneys of record within fifteen (15) days of the hearing.

ATTACHMENT D - KY Grievance and Appeals Procedures

- (6) Exceptions. The parties shall be granted the right to file exceptions within five (5) days of receipt of the recommended order.
- (7) The Secretary, Education and Workforce Development Cabinet shall consider the record and recommended order and any exceptions filed, and issue an order upon the matter. The Secretary may remand the matter to the hearing officer, adopt the report and recommended order of the hearing officer as the final order, or issue his own final order within ten (10) days from issuance of the recommended order by the hearing officer.
- (8) Either party may appeal the final order of the Secretary of the Education and Workforce Development Cabinet to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 60 days of the receipt of the final order and must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.
- (9) If no decision has been reached within sixty days of filing the grievance or complaint, either party may appeal to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 120 days of the filing of the grievance with the state. The appeal shall be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, United States Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.
- (11) The state agency may remand a grievance or complaint related to a local WIA program for resolution at the local level.

PROCESS FLOW

Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs (Section 9)



Grievances and Appeals based on Complaints of Discrimination:

1. This section applies to applicants for WIA participation or employment, participants or employees of any WIA, Title I-funded entity, and applicants for WIA funding.

2. Definitions. The following definitions apply to grievances and appeals filed under this section:

(a) "Beneficiary" means an individual intended by the United States Congress to receive aid, benefits, services, or training from a recipient;

(b) "Director" means the director of the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210; and

(c) "Recipient" means an entity that receives financial assistance under WIA Title I, either directly from the United States Department of Labor or through the Commonwealth of Kentucky or another recipient. "Recipient" includes, but is not limited to:

- (i) State agencies that administer, or are financed in whole or in part with, WIA Title I funds;
- (ii) The Office of Employment and Training;
- (iii) The Kentucky Workforce Investment Board;
- (iv) Local Workforce Investment Boards;
- (v) Local workforce investment area grant recipients;
- (vi) One-stop operators;
- (vii) Service providers, including eligible training providers;
- (viii) On-the-job training employers;
- (ix) Job Corps contractors and center operators, excluding the operators of federally-operated Job Corps centers;
- (x) Outreach and admissions agencies, including Job Corps contractors that perform these functions; and
- (xi) One-stop partners, as defined in WIA section 121 (b), to the extent that the one-stop partner participates in the one-stop delivery system.

3. (a) A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. The Director of the Civil Rights Center may extend the filing date for good cause shown.

(b) A beneficiary who believes that he or she has been denied participation in programs or activities financially assisted in whole or in part under WIA Title I on the basis of citizenship may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. Only the Director of the Civil Rights Center may extend the filing date for good cause shown.

4. A complaint shall contain the following information:

(a) The full name, address and telephone number (or message number) of the person making the complaint (the complainant);

(b) The full name and address of the entity or individual against whom the complaint is made (respondent);

(c) A description of the complainant's allegations in sufficient detail to allow determinations to be made regarding jurisdiction, timeliness, and apparent merit (whether the allegations, if true, would violate any nondiscrimination and equal opportunity provisions under WIA); and

ATTACHMENT E – EO GRIEVANCE PROCEDURES

(d) The complaint shall be signed and dated by the complainant or the complainant's authorized representative.

5. The recipient shall forward a copy of a complaint filed with the recipient to the EO officer of the state agency. If the complaint is filed with the Civil Rights Center (CRC), the complainant may complete and submit the CRC's Complaint Information and Privacy Act Consent Form, which may be obtained from the recipient's EO Officer, or from the Civil Rights Center at the U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

6. The local workforce investment area shall designate an EO officer who is responsible for receiving, investigating, and offering resolutions of complaints, and for assuring all WIA Title I applicants are advised of their rights. Service providers shall follow the procedures established within the local workforce investment area. The local workforce investment area grievance procedures shall contain the following minimum requirements:

(a) Upon receipt of a complaint, the recipient shall provide written acknowledgment to the complainant that the recipient has received the complaint, and shall notify the complainant of the right to be represented in the complaint process.

(b) The recipient shall thereafter provide a written statement of the issue(s) to the complainant, that includes the following:

(i) A list of the issues raised in the complaint; and

(ii) For each such issue, a statement whether the recipient accepts the issue for investigation or rejects the issue, and the reasons for each rejection.

(c) A period for fact-finding or investigation of the circumstances underlying all complaints.

(d) A period during which the recipient attempts to resolve the complaint. The methods available to resolve the complaint shall include an alternative dispute resolution (ADR) method. The complainant shall be given the choice whether to use ADR or the customary process. If the recipient breaches an agreement reached under ADR, the complainant may file a discrimination complaint with the CRC Director within thirty days of the date on which the complainant learns of the alleged breach. If the parties cannot reach agreement under ADR, the complainant may file a discrimination complaint with the CRC Director;

(e) A written Notice of Final Action shall be provided to the complainant within ninety days of the date on which the complaint was filed. The Notice of Final Action shall include, for each issue raised in the complaint, a statement of either (i) the recipient's decision on the issue and an explanation of the reasons underlying the decision, or (ii) a description of the way the parties resolved the issue. The Notice of Final Action shall include notice that the complainant has a right to file a complaint with CRC within thirty days of the date on which the Notice of Final Action is issued if he or she is dissatisfied with the recipient's final action on the complaint;

(f) The EO officer shall notify the complainant in writing immediately if it is determined that the local workforce area does not have jurisdiction over a complaint. The notification shall include the basis for the determination as well as a statement of the complainant's right to file a written complaint with the Civil Rights Center within thirty days of the date on which the complainant receives the notice;

(g) The complainant shall be notified of the right to file a complaint with the Civil Rights Center if the local workforce investment area representative has not completed processing the complaint or if no resolution has been offered within ninety days following receipt of the complaint. The complainant may file a complaint with the Civil Rights Center within thirty days of the expiration of the ninety-day period.

7. The recipient shall maintain records of complaints for at least three years from the date of resolution of the complaint.

Grievances and Appeals based on Complaints of Discrimination:

1. This section applies to applicants for WIA participation or employment, participants or employees of any WIA, Title I-funded entity, and applicants for WIA funding.

2. Definitions. The following definitions apply to grievances and appeals filed under this section:

(a) "Beneficiary" means an individual intended by the United States Congress to receive aid, benefits, services, or training from a recipient;

(b) "Director" means the director of the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210; and

(c) "Recipient" means an entity that receives financial assistance under WIA Title I, either directly from the United States Department of Labor or through the Commonwealth of Kentucky or another recipient. "Recipient" includes, but is not limited to:

- (i) State agencies that administer, or are financed in whole or in part with, WIA Title I funds;
- (ii) The Office of Employment and Training;
- (iii) The Kentucky Workforce Investment Board;
- (iv) Local Workforce Investment Boards;
- (v) Local workforce investment area grant recipients;
- (vi) One-stop operators;
- (vii) Service providers, including eligible training providers;
- (viii) On-the-job training employers;
- (ix) Job Corps contractors and center operators, excluding the operators of federally-operated Job Corps centers;
- (x) Outreach and admissions agencies, including Job Corps contractors that perform these functions; and
- (xi) One-stop partners, as defined in WIA section 121 (b), to the extent that the one-stop partner participates in the one-stop delivery system.

3. (a) A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. The Director of the Civil Rights Center may extend the filing date for good cause shown.

(b) A beneficiary who believes that he or she has been denied participation in programs or activities financially assisted in whole or in part under WIA Title I on the basis of citizenship may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. Only the Director of the Civil Rights Center may extend the filing date for good cause shown.

4. A complaint shall contain the following information:

(a) The full name, address and telephone number (or message number) of the person making the complaint (the complainant);

(b) The full name and address of the entity or individual against whom the complaint is made (respondent);

(c) A description of the complainant's allegations in sufficient detail to allow determinations to be made regarding jurisdiction, timeliness, and apparent merit (whether the allegations, if true, would violate any nondiscrimination and equal opportunity provisions under WIA); and

ATTACHMENT E – EO GRIEVANCE PROCEDURES

(d) The complaint shall be signed and dated by the complainant or the complainant's authorized representative.

5. The recipient shall forward a copy of a complaint filed with the recipient to the EO officer of the state agency. If the complaint is filed with the Civil Rights Center (CRC), the complainant may complete and submit the CRC's Complaint Information and Privacy Act Consent Form, which may be obtained from the recipient's EO Officer, or from the Civil Rights Center at the U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

6. The local workforce investment area shall designate an EO officer who is responsible for receiving, investigating, and offering resolutions of complaints, and for assuring all WIA Title I applicants are advised of their rights. Service providers shall follow the procedures established within the local workforce investment area. The local workforce investment area grievance procedures shall contain the following minimum requirements:

(a) Upon receipt of a complaint, the recipient shall provide written acknowledgment to the complainant that the recipient has received the complaint, and shall notify the complainant of the right to be represented in the complaint process.

(b) The recipient shall thereafter provide a written statement of the issue(s) to the complainant, that includes the following:

(i) A list of the issues raised in the complaint; and

(ii) For each such issue, a statement whether the recipient accepts the issue for investigation or rejects the issue, and the reasons for each rejection.

(c) A period for fact-finding or investigation of the circumstances underlying all complaints.

(d) A period during which the recipient attempts to resolve the complaint. The methods available to resolve the complaint shall include an alternative dispute resolution (ADR) method. The complainant shall be given the choice whether to use ADR or the customary process. If the recipient breaches an agreement reached under ADR, the complainant may file a discrimination complaint with the CRC Director within thirty days of the date on which the complainant learns of the alleged breach. If the parties cannot reach agreement under ADR, the complainant may file a discrimination complaint with the CRC Director;

(e) A written Notice of Final Action shall be provided to the complainant within ninety days of the date on which the complaint was filed. The Notice of Final Action shall include, for each issue raised in the complaint, a statement of either (i) the recipient's decision on the issue and an explanation of the reasons underlying the decision, or (ii) a description of the way the parties resolved the issue. The Notice of Final Action shall include notice that the complainant has a right to file a complaint with CRC within thirty days of the date on which the Notice of Final Action is issued if he or she is dissatisfied with the recipient's final action on the complaint;

(f) The EO officer shall notify the complainant in writing immediately if it is determined that the local workforce area does not have jurisdiction over a complaint. The notification shall include the basis for the determination as well as a statement of the complainant's right to file a written complaint with the Civil Rights Center within thirty days of the date on which the complainant receives the notice;

(g) The complainant shall be notified of the right to file a complaint with the Civil Rights Center if the local workforce investment area representative has not completed processing the complaint or if no resolution has been offered within ninety days following receipt of the complaint. The complainant may file a complaint with the Civil Rights Center within thirty days of the expiration of the ninety-day period.

7. The recipient shall maintain records of complaints for at least three years from the date of resolution of the complaint.

ATTACHMENT F – NON-DISCRIMINATION STATEMENT

EQUAL OPPORTUNITY IS THE LAW

It is against the law for this recipient of Federal financial assistance to discriminate on the following bases:

- Against any individual in the United States, on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief; and
- Against any beneficiary of programs financially assisted under Title I of the Workforce Investment Act of 1998 (WIA), on the basis of the beneficiary's citizenship/status as a lawfully admitted immigrant authorized to work in the United States, or his or her participation in any WIA Title I-financially assisted program or activity.

The recipient must not discriminate in any of the following areas:

- Deciding who will be admitted, or have access, to any WIA Title I-financially assisted program or activity;
- Providing opportunities in, or treating any person with regard to, such a program or activity; or
- Making employment decisions in the administration of, or in connection with, such a program or activity.

What to Do If You Believe You Have Experienced Discrimination:

If you think that you have been subjected to discrimination under a WIA Title I-financially assisted program or activity, you may file a complaint within 180 days from the date of the alleged violation with either:

- The recipient's Equal Opportunity Officer (or the person whom the recipient has designated for this purpose); or
- The Director, Civil Rights Center (CRC), U.S. Department of Labor, 200 Constitution Avenue NW, Room N-4123, Washington, DC 20210.

If you file your complaint with the recipient, you must wait either until the recipient issues a written Notice of Final Action, or until 90 days have passed (whichever is sooner), before filing with the Civil Rights Center (see address above).

If the recipient does not give you a written Notice of Final Action within 90 days of the day on which you filed your complaint, you do not have to wait for the recipient to issue that Notice before filing a complaint with CRC. However, you must file your CRC complaint within 30 days of the 90-day deadline (in other words, within 120 days after the day on which you filed your complaint with the recipient).

If the recipient does give you a written Notice of Final Action on your complaint, but you are dissatisfied with the decision or resolution, you may file a complaint with CRC. You must file your CRC complaint within 30 days of the date on which you received the Notice of Final Action.

CERTIFICATE OF NOTICE

I certify that I have been furnished a copy of this Equal Opportunity Is The Law notice, and that the notice has been discussed with me.

Applicant/Participant/Employee

Date

Original -to file
Copy -to customer

Kentucky requests the continuance of the following previously approved waivers.

- 1. Waiver of WIA Section 133(b)(4) and WIA Regulations §667.140 to increase the allowable transfer amount between adult and dislocated worker funding streams allocated to a local area.**

Local boards have the option to continue to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

The waiver will provide LWIBs the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.

- 2. Waiver of WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134(a)(3).** These funds will be connected to layoff aversion activities.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

- 3. Waiver of WIA Section 134(a)(1)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.** Allow up to 20 percent of Rapid Response funds to be shifted, as needed, to local workforce investment areas for the purpose of providing incumbent worker training.

This waiver promotes maximum investment of available funds as well as increases levels of service. It focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of local workforce investment areas to further expand incumbent worker activities.

- 4. Waiver of 20CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.** Permit the commonwealth to discontinue the

ATTACHMENT G – WAIVER EXTENSION REQUEST
(See Section V of State Plan-pages 69-71)

collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). Under the waiver, the commonwealth will continue to collect and report information on incumbent workers trained with local WIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, eliminating the requirement to capture information that does not impact program outcome, this waiver will allow local areas to timely assist employers in averting layoffs and improving employer customer satisfaction.

5. **Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training (OJT).** WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be reimbursed at the 50 percent rate.

Employers, WIA customers and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the increased reimbursement rate. The time the employer has to devote to the OJT employee, will make them more valuable to present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.

6. **Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).** Through this waiver, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, Kentucky shall establish the required portion of the costs, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be charged the 50 percent rate.

ATTACHMENT G – WAIVER EXTENSION REQUEST
(See Section V of State Plan-pages 69-71)

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small-employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relations with employers in high-demand, high-growth industries.

7. **Waiver to permit the commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.
8. **Waiver of the prohibition at 20CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth to utilize Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using youth funds to provide training services to youth, while retaining the limited adult funds to be used for adult training services. The waiver has increased efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.
9. **Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.